



# STIC Search Report

## EIC 3600

STIC Database Tracking Number: 103233

TO: Eric Shaffer  
Location: cpk5 7B03  
Art Unit : 3621  
Friday, January 09, 2004

Case Serial Number: 09607914

From: Sylvia Keys  
Location: EIC 3600  
PK5-Suite 804  
Phone: 305-5782

[sylvia.keys@uspto.gov](mailto:sylvia.keys@uspto.gov)

### Search Notes

Dear Examiner Shaffer,

Please read through the results.

If you have any questions, please do not hesitate to contact me.

Sylvia



# STIC EIC 3600 Search Request Form

Today's Date:

Jan 2, 2004

Priority Date:

Oct. 31, 2000

For 705 Searches list subclass:

7, 8, 10

Your Name Eric Shaffer  
AU 3623 Examiner # 37937  
Room # 7B 03 Phone 305-5283  
Serial # 09 / 607, 914

Is this a Rush? YES ☒ NO  
SPE's Signature \_\_\_\_\_

Is this a first action amendment? YES ☒ NO

Is this a refocus? YES ☒ NO

Access # 111349

What is the focus of this search? Please include concepts, synonyms etc.

Attach a copy of the abstract, pertinent claims and your East search strategy. Thanks.

Categorize or identify customers  
by geographic region, market segment,  
lifestyle, number of orders, size  
of order, revenue, profit

STIC Searcher \_\_\_\_\_ Phone \_\_\_\_\_  
Date picked up \_\_\_\_\_ Date completed \_\_\_\_\_



11/3,K/1 (Item 1 from file: 16)  
DIALOG(R)File 16:Gale Group PROMT(R)  
(c) 2004 The Gale Group. All rts. reserv.

08159298 Supplier Number: 68277151 (USE FORMAT 7 FOR FULLTEXT)  
**Participate.com Chooses Comdisco for Managed Web Hosting Services.**  
Business Wire, p2400  
Dec 20, 2000  
Language: English Record Type: Fulltext  
Document Type: Newswire; Trade  
Word Count: 596

... online community management services enable corporations to:  
-- Increase customer loyalty and retention  
  
-- Lower operating and **customer acquisition costs**  
  
-- **Measure** and leverage the **value** of their online communities  
Comdisco Web services offer high availability hosting solutions to  
both dot...

11/3,K/2 (Item 2 from file: 16)  
DIALOG(R)File 16:Gale Group PROMT(R)  
(c) 2004 The Gale Group. All rts. reserv.

08059678 Supplier Number: 67141971 (USE FORMAT 7 FOR FULLTEXT)  
**Participate.com Announces Alliance With IBM To Provide Online Community  
Management Services.**  
Business Wire, p2546  
Nov 20, 2000  
Language: English Record Type: Fulltext  
Document Type: Newswire; Trade  
Word Count: 808

... online community management services enable corporations to:  
-- Increase customer loyalty and retention  
-- Lower operating and **customer acquisition costs**  
-- **Measure** and leverage the **value** of their online communities  
"Having IBM as our preferred consulting partner will open worldwide  
opportunities..."

11/3,K/3 (Item 3 from file: 16)  
DIALOG(R)File 16:Gale Group PROMT(R)  
(c) 2004 The Gale Group. All rts. reserv.

07687352 Supplier Number: 63967110 (USE FORMAT 7 FOR FULLTEXT)  
**Varsity Group Announces Five New Exclusive, Multi-Year Agreements With  
Schools, Bringing Total to 80.**  
Business Wire, p2443  
August 9, 2000  
Language: English Record Type: Fulltext  
Document Type: Newswire; Trade  
Word Count: 439

... Group. "We will continue to reach out to additional schools as we  
value the predictable **future revenue** stream and low **customer  
acquisition costs** these schools bring to our operations."  
In addition to textbooks, eduPartners provides other e-commerce...

11/3,K/4 (Item 4 from file: 16)  
DIALOG(R)File 16:Gale Group PROMT(R)  
(c) 2004 The Gale Group. All rts. reserv.

07591351 Supplier Number: 63584111 (USE FORMAT 7 FOR FULLTEXT)

**FINANCIAL PLAN.**

Adams, Jim

Catalog Age, v17, n8, p169

July, 2000

Language: English Record Type: Fulltext

Document Type: Magazine/Journal; Trade

Word Count: 1776

... click-through rates

stickiness

purchase rates

But the ultimate measure across all channels is the **customer acquisition cost measured** against the lifetime **value** of that customer. Getting this information within each channel and across all channels will be...

11/3,K/5 (Item 5 from file: 16)

DIALOG(R)File 16:Gale Group PROMT(R)

(c) 2004 The Gale Group. All rts. reserv.

07283172 Supplier Number: 61801036 (USE FORMAT 7 FOR FULLTEXT)

**VarsityBooks.com Announces Five More Exclusive, Multi-Year Agreements With Educational Institutions.**

PR Newswire, p2188

April 10, 2000

Language: English Record Type: Fulltext

Document Type: Newswire; Trade

Word Count: 422

... com. "We will continue to reach out to additional schools as we value the predictable **future revenue** stream and low **customer acquisition costs** these schools bring to VarsityBooks.com."

About VarsityBooks.com

VarsityBooks.com (Nasdaq: VSTY), based in...

11/3,K/6 (Item 6 from file: 16)

DIALOG(R)File 16:Gale Group PROMT(R)

(c) 2004 The Gale Group. All rts. reserv.

07267208 Supplier Number: 61719522 (USE FORMAT 7 FOR FULLTEXT)

**VarsityBooks.com Continues to Expand Partnership Program Announcing Five New Exclusive, Multi-Year Agreements With Educational Institutions.**

PR Newswire, p7475

April 17, 2000

Language: English Record Type: Fulltext

Document Type: Newswire; Trade

Word Count: 420

... com. "We will continue to reach out to additional schools as we value the predictable **future revenue** stream and low **customer acquisition costs** these schools bring to VarsityBooks.com."

About VarsityBooks.com

VarsityBooks.com (Nasdaq: VSTY), based in...

11/3,K/7 (Item 1 from file: 15)

DIALOG(R)File 15:ABI/Inform(R)

(c) 2004 ProQuest Info&Learning. All rts. reserv.

01319905 99-69301

**Inventory turnover makes a big statement**



Schonberger, Richard  
IIE Solutions v28n11 PP: 16-17 Nov 1996  
ISSN: 1085-1259 JRNL CODE: INE  
WORD COUNT: 1235

...TEXT: metrics-productivity, efficiency, utilization, and cost variance are second-order. These metrics may have little redeeming value. Other second-order measures, however, do have value. Customer retention and unit costs are important for competitiveness. Along with inventory turnover partials (raw materials, WIP, and FGI), customer...

11/3,K/8 (Item 1 from file: 20)  
DIALOG(R)File 20:Dialog Global Reporter  
(c) 2004 The Dialog Corp. All rts. reserv.

08171265 (USE FORMAT 7 OR 9 FOR FULLTEXT)  
**Cable & Wireless PLC - Interim Results - Part 2**  
REGULATORY NEWS SERVICE  
November 10, 1999  
JOURNAL CODE: WRNS LANGUAGE: English RECORD TYPE: FULLTEXT  
WORD COUNT: 3815

(USE FORMAT 7 OR 9 FOR FULLTEXT)

... 591 3,363 244 (79) - 165 =====  
=====

(i) Primarily relates to the write-down of deferred customer acquisition costs to their estimated realisable value in respect of the Group's operations in Hong Kong.

(ii) At 31 March 1998...

11/3,K/9 (Item 1 from file: 610)  
DIALOG(R)File 610:Business Wire  
(c) 2004 Business Wire. All rts. reserv.

00431677 20001220355B9801 (USE FORMAT 7 FOR FULLTEXT)  
**Participate.com Chooses Comdisco for Managed Web Hosting Services-High-Availability, Flexibility and End-to-End Management Capabilities Key Factors In Online Community Management Firm's Selection**  
Business Wire  
Wednesday, December 20, 2000 14:01 EST  
JOURNAL CODE: BUSINESS WIRE, COMTEX LANGUAGE: ENGLISH RECORD TYPE: FULLTEXT  
DOCUMENT TYPE: NEWSWIRE  
WORD COUNT: 571

...online community management services enable corporations to:

- Increase customer loyalty and retention
- Lower operating and customer acquisition costs
- Measure and leverage the value of their online communities

Comdisco Web services offer high availability hosting solutions to both dot...

11/3,K/10 (Item 2 from file: 610)  
DIALOG(R)File 610:Business Wire  
(c) 2004 Business Wire. All rts. reserv.

00413531 20001120325B1387 (USE FORMAT 7 FOR FULLTEXT)

**Participate.com Announces Alliance With IBM To Provide Online Community Management Services-IBM Selects Chicago Firm to Manage Online Community for its Global Services Clients and Institute for Knowledge Management**  
Business Wire

Monday, November 20, 2000 12:46 EST

JOURNAL CODE: BUSINESS WIRE, COMTEX LANGUAGE: ENGLISH RECORD TYPE:

FULLTEXT

DOCUMENT TYPE: NEWSWIRE

WORD COUNT: 767

...online community management services enable corporations to:

- Increase customer loyalty and retention
- Lower operating and **customer acquisition costs**
- **Measure** and leverage the **value** of their online communities

"Having IBM as our preferred consulting partner will open worldwide opportunities...

15/3,K/1 (Item 1 from file: 16)  
DIALOG(R)File 16:Gale Group PROMT(R)  
(c) 2004 The Gale Group. All rts. reserv.

07352831 Supplier Number: 57951529 (USE FORMAT 7 FOR FULLTEXT)  
**Charting New Directions for Marketing.**  
Day, George S.; Montgomery, David B.  
Journal of Marketing, p3  
Dec, 1999  
Language: English Record Type: Fulltext  
Document Type: Magazine/Journal; Refereed; Trade  
Word Count: 9488

... a comprehensive, multidimensional view of performance. Which marketing metrics should be used? What is the **value** of **measures** of **customer retention**, long-run returns on marketing **investments**, and so forth, and who is accountable for meeting the performance targets? This raises another...

15/3,K/2 (Item 1 from file: 9)  
DIALOG(R)File 9:Business & Industry(R)  
(c) 2004 Resp. DB Svcs. All rts. reserv.

1941203 Supplier Number: 01941203 (USE FORMAT 7 OR 9 FOR FULLTEXT)  
**Sales Need Quality, Too -- Measure activity from the start, not just at the end**  
**(Strategies for determining the level of quality in sales and marketing activities are discussed)**  
VAR Business, p 134  
September 15, 1997  
DOCUMENT TYPE: Journal ISSN: 0894-5802 (United States)  
LANGUAGE: English RECORD TYPE: Fulltext  
WORD COUNT: 893

ABSTRACT:

...that revenue, we've got to look deeper, to areas such as seizing opportunities, wisely **investing** resources, **customer retention** and development, and leveraging skills across the entire sales force. How do any of your...

...life situation? If you're looking for a leveraged point in the cycle that's **worth measuring** for quality, this is a key one. Another is how they find new opportunities. It...

15/3,K/3 (Item 1 from file: 15)  
DIALOG(R)File 15:ABI/Inform(R)  
(c) 2004 ProQuest Info&Learning. All rts. reserv.

01998291 51161709  
**Family affair**  
Jarrett, Ian  
Asian Business v36n3 PP: 18-19 Mar 2000  
ISSN: 0254-3729 JRNL CODE: ABN  
WORD COUNT: 900

...TEXT: potential profits. Huy says investment to date in Wishlist "is in the millions". As for **profit projections**, he will only say: "When we feel we have **invested** enough in **customer acquisition**, product development and brand building, we will took to make profit." He expects this will...

15/3,K/4 (Item 2 from file: 15)

DIALOG(R)File 15:ABI/Inform(R)  
(c) 2004 ProQuest Info&Learning. All rts. reserv.

01658774 03-09764

**Prospecting's lifetime value equation**

Wheaton, Jim

Catalog Age v15n8 PP: 75-84 Jul 1998

ISSN: 0740-3119 JRNL CODE: CTA

WORD COUNT: 1801

...TEXT: spend anything under \$10 to acquire a new customer.

But in the real world, lifetime **value** is **based** on past data, which is always imperfect. And even if past data were perfect, there...

... one correct solution, most successful catalogers spend less than 50% of historical lifetime value on **customer acquisition**. Even a more conservative **investment** of 25% of lifetime value guarantees steady growth. Calculating multiple lifetime values Calculating an average...

**15/3,K/5 (Item 3 from file: 15)**

DIALOG(R)File 15:ABI/Inform(R)

(c) 2004 ProQuest Info&Learning. All rts. reserv.

01411092 00062079

**Measuring the value of customer retention**

Monts, Ken; Bonevac, Beverly; Lauer, Joseph; Tessema, Dagnatchew

Electricity Journal v10n4 PP: 73-80 May 1997

ISSN: 1040-6190 JRNL CODE: ELJ

WORD COUNT: 3993

...TEXT: concrete to provide guidelines? Do we accept "a world where it is difficult both to **estimate** the cash **value** of retaining a customer, and to measure the linkage between energy efficiency **investments** and **customer retention** " and adopt a "fertilizer formula approach" that "provides an easily understood and operational paradigm"?zs...

**15/3,K/6 (Item 4 from file: 15)**

DIALOG(R)File 15:ABI/Inform(R)

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00957150 96-06543

**Maybe it's time to think of customers as assets**

Schultz, Don E

Marketing News v29n1 PP: 30 Jan 2, 1995

ISSN: 0025-3790 JRNL CODE: MNW

WORD COUNT: 1064

...TEXT: line services they incur, it takes about three months to obtain payback on AOL's **customer acquisition investment**. So AOL is **investing** in advertising, marketing, and communications programs to generate **future income** streams.

In AOL's case, the investment payback of three months is not a bad...

18/3,K/1 (Item 1 from file: 148)  
DIALOG(R)File 148:Gale Group Trade & Industry DB  
(c)2004 The Gale Group. All rts. reserv.

12385432 SUPPLIER NUMBER: 63584111 (USE FORMAT 7 OR 9 FOR FULL TEXT)

**FINANCIAL PLAN.**

Adams, Jim

Catalog Age, 17, 8, 169

July, 2000

ISSN: 0740-3119 LANGUAGE: English RECORD TYPE: Fulltext

WORD COUNT: 1812 LINE COUNT: 00160

... click-through rates  
stickiness  
purchase rates

But the ultimate measure across all channels is the **customer acquisition cost measured** against the **lifetime value** of that customer. Getting this information within each channel and across all channels will be...  
?

File 348:EUROPEAN PATENTS 1978-2003/Dec W02

(c) 2003 European Patent Office

File 349:PCT FULLTEXT 1979-2002/UB=20031225,UT=20031218

(c) 2003 WIPO/Univention

?ds

Set	Items	Description
S1	38	(CUSTOMER OR INDIVIDUAL OR INDIVIDUALS) () (ACQUISITION? OR - RETENTION?) (5N) (COST OR COSTS)
S2	2	INVEST?(5N) (CUSTOMER OR INDIVIDUAL OR INDIVIDUALS) () (RETEN- TION? OR ACQUISITION? OR DEFECTION?)
S3	67773	(VALUE OR VALUAT? OR WORTH?) (3N) (ESTIMAT? OR FORECAST? OR - MEASUR? OR BASED)
S4	24	(PROFIT()MARGIN?) (3N) (ESTIMAT? OR FORECAST? OR MEASUR?)
S5	19	LIFETIME() (VALUE OR VALUES OR VALUAT?) (3N) (ESTIMAT? OR FOR- ECAST? OR MEASUR?)
S6	1	(LONG()TERM()PROFIT?) (3N) (ESTIMAT? OR FORECAST? OR MEASUR?)
S7	257	(FUTURE OR PROJECTED OR PROJECTIONS) (3N) (PROFIT OR PROFITS OR INCOME OR REVENUE?)
S8	2465	AU=(CHENG, C? OR CHENG C ? OR LEE, S ? OR LEE S?)
S9	33	S1 AND IC=G06F
S10	1	S2 NOT S1
S11	418356	CUSTOMER OR CUSTOMERS OR INDIVIDUAL OR INDIVIDUALS
S12	3095	S11(S)S3
S13	1	S12(S)S4
S14	1	S13 NOT (S1 OR S2 OR S10)
S15	9	S12(S)S5
S16	9	S15 NOT (S1 OR S2 OR S10 OR S14)
S17	5	S12(S) (S6 OR S7)
S18	5	S17 NOT (S1 OR S2 OR S10 OR S14 OR S16)
S19	0	S8(S) (S1:S5)
?		

File 348:EUROPEAN PATENTS 1978-2003/Dec W02

(c) 2003 European Patent Office

File 349:PCT FULLTEXT 1979-2002/UB=20031225,UT=20031218

(c) 2003 WIPO/Univention

?ds

Set	Items	Description
S1	38	(CUSTOMER OR INDIVIDUAL OR INDIVIDUALS) () (ACQUISITION? OR - RETENTION?) (5N) (COST OR COSTS)
S2	2	INVEST?(5N) (CUSTOMER OR INDIVIDUAL OR INDIVIDUALS) () (RETEN- TION? OR ACQUISITION? OR DEFLECTION?)
S3	67773	(VALUE OR VALUAT? OR WORTH?) (3N) (ESTIMAT? OR FORECAST? OR - MEASUR? OR BASED)
S4	24	(PROFIT()MARGIN?) (3N) (ESTIMAT? OR FORECAST? OR MEASUR?)
S5	19	LIFETIME() (VALUE OR VALUES OR VALUAT?) (3N) (ESTIMAT? OR FOR- ECAST? OR MEASUR?)
S6	1	(LONG() TERM() PROFIT?) (3N) (ESTIMAT? OR FORECAST? OR MEASUR?)
S7	257	(FUTURE OR PROJECTED OR PROJECTIONS) (3N) (PROFIT OR PROFITS OR INCOME OR REVENUE?)
S8	2465	AU=(CHENG, C? OR CHENG C ? OR LEE, S ? OR LEE S?)
S9	33	S1 AND IC=G06F
S10	1	S2 NOT S1
S11	418356	CUSTOMER OR CUSTOMERS OR INDIVIDUAL OR INDIVIDUALS
S12	3095	S11(S)S3
S13	1	S12(S)S4
S14	1	S13 NOT (S1 OR S2 OR S10)
S15	9	S12(S)S5
S16	9	S15 NOT (S1 OR S2 OR S10 OR S14)
S17	5	S12(S) (S6 OR S7)
S18	5	S17 NOT (S1 OR S2 OR S10 OR S14 OR S16)
S19	0	S8(S) (S1:S5)
?		

9/3,K/1 (Item 1 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
(c) 2003 WIPO/Univentio. All rts. reserv.

01064881

**MARKETING OPTIMIZATION SYSTEM**  
**SYSTEME D'OPTIMISATION DU MARKETING**

Patent Applicant/Assignee:

VERIDIEM INC, One Clock Tower Place #200, Maynard, MA 01754, US, US  
(Residence), US (Nationality)

Inventor(s):

PHELAN William L, 6 Joseph Reed Lane, Acton, MA 01720, US,  
WELLS John C, 8 Dickson Lane, Weston, MA 02493, US,  
PEDERSEN Ellen, 46 Vine Brook Road, Medfield, MA 02052, US,  
HACKNEY Michael L J, 124 Riverbend Drive, Groton, MA 01450, US,  
PEO Carol R, 111 Old Bolton Road, Stow, MA 01775, US,  
REAGEN Jeffrey Q, 22 Cadman Drive, Mendon, MA 01756, US,  
SKRZYPCZAK Michael P, 4 McKay Road, Hopkinton, MA 01748, US,

Legal Representative:

ABRAMSON Andrew F (agent), Testa, Hurwitz & Thibault, LLP, High Street  
Tower, 125 High Street, Boston, MA 02110, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200393930 A2 20031113 (WO 0393930)  
Application: WO 2003US13394 20030430 (PCT/WO US0313394)  
Priority Application: US 2002376495 20020430

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU  
CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP  
KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NI NO NZ OM PH PL PT  
RO RU SC SD SE SG SK SL TJ TM TN TR TT TZ UA UG UZ VC VN YU ZA ZM ZW  
(EP) AT BE BG CH CY CZ DE DK EE ES FI FR GB GR HU IE IT LU MC NL PT RO SE  
SI SK TR  
(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG  
(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW  
(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 15001

Main International Patent Class: **G06F**

Fulltext Availability:

Detailed Description

Detailed Description

... impressions, click-through rate (CTR), conversion rate,  
cost-per-action (CPA), cost-per-click (CPC), cost per thousand  
impressions (CPM), customer acquisition costs, pay per click (PPC),  
pay per lead (PPL), pay per sale (PPS), etc.  
[00641 Further...

9/3,K/2 (Item 2 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
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01053652 \*\*Image available\*\*

**CUSTOMER ACQUISITION IN A LOYALTY SYSTEM**  
**ACQUISITION DE CLIENTS DANS UN SYSTEME DE FIDELISATION**

Patent Applicant/Assignee:

OUTSITE NETWORKS INC, Suite C, 4575 Progress Road, Norfolk, VA 23502, US,  
US (Residence), US (Nationality)

Inventor(s):

BAKKER Anton, 1054 West Ocean View Avenue, Norfolk, VA 23503, US,

Legal Representative:

VICK Jason H (agent), Nixon Peabody LLP, Suite 800, 8180 Greensboro  
Drive, McLean, VA 22102, US,



Patent and Priority Information (Country, Number, Date):

Patent: WO 200383754 A1 20031009 (WO 0383754)  
Application: WO 2003US9222 20030326 (PCT/WO US0309222)  
Priority Application: US 2002367493 20020327

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU  
CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP  
KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ OM PH PL PT RO  
RU SC SD SE SG SK SL TJ TM TN TR TT TZ UA UG UZ VC VN YU ZA ZM ZW  
(EP) AT BE BG CH CY CZ DE DK EE ES FI FR GB GR HU IE IT LU MC NL PT RO SE  
SI SK TR  
(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG  
(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW  
(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 4328

Main International Patent Class: G06F-017/60

Fulltext Availability:

Detailed Description

Detailed Description

... a retailer must decide if the benefits outweigh the costs. One of the most significant **costs** is that of **customer acquisition**.

[00051 Customer acquisition is the process of convincing a current or potential customer to become...exemplary result of the systems and methods of this invention are to reduce the effective **costs** associated with **customer acquisition** and to automate the customer acquisition process to, for example, expand the loyalty base.

[00071...

9/3,K/3 (Item 3 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

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01049184 \*\*Image available\*\*

SYSTEM AND METHOD FOR NETWORK-BASED AUTOMATION OF ADVICE AND SELECTION OF OBJECTS

SYSTEME ET PROCEDE D'AUTOMATISATION BASEE SUR RESEAU DE CONSEIL ET DE SELECTION D'OBJETS

Patent Applicant/Assignee:

GUIDE2STYLE COM INC, 1 Avocet Drive #103, Redwood City, CA 94065, US, US  
(Residence), US (Nationality)

Inventor(s):

JOHNSON Rani, 1 Avocet Drive #103, Redwood City, CA 94065, US,  
VAN VALKENBURGH Scott Christopher, 2453 Antler Point Drive, Henderson, NV 89074, US,  
PEKELNY Anatoly, 1459 Gordon Street #G5, Redwood City, CA 94061, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200379217 A1 20030925 (WO 0379217)  
Application: WO 2002US5756 20020221 (PCT/WO US0205756)  
Priority Application: WO 2002US5756 20020221

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU  
CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP  
KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ OM PH PL PT RO  
RU SD SE SG SI SK SL TJ TM TN TR TT TZ UA UG UZ VN YU ZA ZM ZW  
(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR  
(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG  
(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW  
(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 19484

Main International Patent Class: G06F-017/00

Fulltext Availability:  
Detailed Description

Detailed Description

... made to connect apparel customers with retailers via the World Wide Web C' Web'@. High **customer acquisition costs** and poor customer

1

SUBSTITUTE SHEET (RULE 26)

Brief Summa!@t of the Invention  
The...

9/3,K/4 (Item 4 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

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01013785

METHOD FOR REORDERING CUSTOM-FITTED APPAREL

PROCEDE DE RETOUCHES DE VETEMENT SUR MESURE

Patent Applicant/Assignee:

ARCHETYPE SOLUTIONS INC, 1201 Park Avenue, Suite 101, Emeryville, CA  
94608, US, US (Residence), US (Nationality)

Inventor(s):

PABST Edward, 256 Tharp Drive, Moraga, CA 94556, US,  
LUHNOW Jeffrey Aldredge, 311 Tideway Drive, #207, Alameda, CA 94501, US,  
HEARD Steven Carl, 1365 Alvarado Road, Berkeley, CA 94705, US,  
HOLLOWAY Robert Gordon Ernest, 2280 Vineyard Road, Novato, CA 94947, US,

Legal Representative:

NITABACH Michael N (agent), Milbank, Tweed, Hadley & McCloy LLP, 1 Chase  
Manhattan Plaza, New York, NY 10005-1413, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200342778 A2-A3 20030522 (WO 0342778)

Application: WO 2002US35072 20021101 (PCT/WO US0235072)

Priority Application: US 200145114 20011109

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU

CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP

KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ OM PH PL PT RO

RU SD SE SG SI SK SL TJ TM TN TR TT TZ UA UG UZ VN YU ZA ZM ZW

(EP) AT BE BG CH CY CZ DE DK EE ES FI FR GB GR IE IT LU MC NL PT SE SK TR

(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 5290

Main International Patent Class: G06F-017/60

Fulltext Availability:  
Detailed Description

Detailed Description

... retain a consumer for subsequent purchases is an  
important driver of business performance. Typically, the **customer  
acquisition cost** to a retailer is higher than the profit margin  
generated by the first basket of...

9/3,K/5 (Item 5 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

(c) 2003 WIPO/Univentio. All rts. reserv.

01002147 \*\*Image available\*\*

SYSTEM, METHOD, AND COMPUTER PROGRAM PRODUCT FOR PROCESSING AND  
VISUALIZATION OF INFORMATION

SYSTEME, PROCEDE ET PRODUITS PROGRAMMES INFORMATIQUES POUR LE TRAITEMENT ET  
LA VISUALISATION D'INFORMATIONS

Patent Applicant/Assignee:

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SCHERER David, 8464 Holly Leaf Drive, McLean, VA 22102, US,

Legal Representative:

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Patent and Priority Information (Country, Number, Date):

Patent: WO 200332125 A2-A3 20030417 (WO 0332125)

Application: WO 2002US32383 20021011 (PCT/WO US0232383)

Priority Application: US 2001328107 20011011

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU

CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP

KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ OM PH PL PT RO

RU SD SE SG SI SK SL TJ TM TN TR TT TZ UA UG UZ VC VN YU ZA ZM ZW

(EP) AT BE BG CH CY CZ DE DK EE ES FI FR GB GR IE IT LU MC NL PT SE SK TR

(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 26623

Main International Patent Class: G06F-017/60

Fulltext Availability:

Detailed Description

Detailed Description

... s desired outcome (purchasing, enrolling, retrieving information,  
etc.) or loyalty ratios will suffer, driving up **customer acquisition  
costs** . The bar for doing it right is rising each day.

[00013] With almost all web...satisfaction, resulting in increased site  
loyalty, greater visitation frequency, larger percentage of repeat  
visitors, reduced **customer acquisition costs** , and longer user  
sessions.

[000341 Yet another object of the present invention is to provide...

9/3,K/6 (Item 6 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

(c) 2003 WIPO/Univentio. All rts. reserv.

00982623 \*\*Image available\*\*

SYSTEM FOR DISTRIBUTION AND USE OF VIRTUAL STORED VALUE CARDS

SYSTEME DE DISTRIBUTION ET D'UTILISATION DE CARTES DE VALEURS STOCKEES  
VIRTUELLES

Patent Applicant/Assignee:

C-SAM INC, Suite 2060, One Tower Lane, Oakbrook Terrace, IL 60181, US, US  
(Residence), US (Nationality)

Inventor(s):

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US,

Legal Representative:

SHEKLETON Gerald T (agent), Welsh & Katz, Ltd., 120 S. Riverside Plaza,  
22nd Floor, Chicago, IL 60606, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200312717 A1 20030213 (WO 0312717)  
Application: WO 2001US23899 20010730 (PCT/WO US0123899)  
Priority Application: WO 2001US23899 20010730

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU  
CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP  
KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD  
SE SG SI SK SL TJ TM TR TT TZ UA UG UZ VN YU ZA ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR

(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 10534

Main International Patent Class: G06F-017/60

Fulltext Availability:

Detailed Description

Detailed Description

... may drastically reduce fraud. The WSC, through its profiling capabilities, can 1 5 reduce the **customer acquisition costs** .

The Merchant ETD may be deployed in markets where the existing banking networks do not...

9/3,K/7 (Item 7 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

(c) 2003 WIPO/Univentio. All rts. reserv.

00979189 \*\*Image available\*\*

INTELLIGENT CENTRAL DIRECTORY FOR "SOFT" CONFIGURATION OF IP SERVICES  
DEPOT DE DONNEES CENTRAL INTELLIGENT DESTINE A LA CONFIGURATION "SOFT" DES  
SERVICES IP

Patent Applicant/Assignee:

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Inventor(s):

CIVANLAR Seyhan, 85 Coleman Avenue, Red Bank, NJ 07701, US,

MOATS Ryan, 15621 Drexel Circle, Omaha, NE 68135-2358, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200309150 A1 20030130 (WO 0309150)

Application: WO 2002US23102 20020722 (PCT/WO US0223102)

Priority Application: US 2001306831 20010720

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU  
CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP  
KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ OM PH PL PT RO  
RU SD SE SG SI SK SL TJ TM TN TR TT TZ UA UG UZ VN YU ZA ZM ZW

(EP) AT BE BG CH CY CZ DE DK EE ES FI FR GB GR IE IT LU MC NL PT SE SK TR

(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 10183

Main International Patent Class: G06F-013/00

Fulltext Availability:

Detailed Description

Detailed Description

... data repositories, and operations organizations. These disjointed systems and infrastructures have been adversely affecting the **cost** of

'customer acquisition and maintenance. Moreover, it is difficult to offer bundled voice, video and data services providing...

9/3,K/8 (Item 8 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
(c) 2003 WIPO/Univentio. All rts. reserv.

00960308 \*\*Image available\*\*

**SYSTEMS AND METHODS FOR A LABEL WITH POSTAGE APPLICATION PROGRAMMING INTERFACE**

**SYSTEMES ET PROCEDES POUR ETIQUETTES AVEC INTERFACE DE PROGRAMMATION D'APPLICATION D'AFFRANCHISSEMENT**

Patent Applicant/Assignee:

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Inventor(s):

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GULLO John, 5532 Jowett Court, Alexandria, VA 22315, US,  
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Legal Representative:

LEWIS & ROCA LLP (agent), MLACHAK, Ivan, 40 N. Central Avenue, Phoenix, AZ 85004-4429, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200293498 A2-A3 20021121 (WO 0293498)

Application: WO 2002US18552 20020513 (PCT/WO US0218552)

Priority Application: US 2001290048 20010511

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU

CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP

KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ OM PH PL PT RO

RU SD SE SG SI SK SL TJ TM TN TR TT TZ UA UG US UZ VN YU ZA ZM ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR

(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 6342

Main International Patent Class: G06F-017/00

Fulltext Availability:

Detailed Description

Detailed Description

... be included in the back-end fulfillment of this service. Hopefully they will realize: reduced customer acquisition costs (since this service will generate new customer accounts electronically), reduced customer support costs, increased revenue...

9/3,K/9 (Item 9 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
(c) 2003 WIPO/Univentio. All rts. reserv.

00957070 \*\*Image available\*\*

**PERSONAL ORGANISER SYSTEM**

**SYSTEME D'AGENDA ELECTRONIQUE**

Patent Applicant/Assignee:

SEE RED INCORPORATED, PO Box 904, Glebe, New South Wales 2037, AU, AU (Residence), AU (Nationality), (For all designated states except: US)

Patent Applicant/Inventor:

BARRY David, PO Box 904, Glebe, New South Wales 2037, AU, AU (Residence),  
 AU (Nationality), (Designated only for: US)  
 LINDFIELD Mark, PO Box 904, Glebe, New South Wales 2037, AU, AU  
 (Residence), AU (Nationality), (Designated only for: US)  
 Legal Representative:  
 GRIFFITH HACK (agent), GPO Box 4164, Sydney, New South Wales 2001, AU,  
 Patent and Priority Information (Country, Number, Date):  
 Patent: WO 200291224 A1 20021114 (WO 0291224)  
 Application: WO 2002AU578 20020510 (PCT/WO AU0200578)  
 Priority Application: AU 20014900 20010510  
 Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU  
 CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP  
 KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ OM PH PL PT RO  
 RU SD SE SG SI SK SL TJ TM TN TR TT TZ UA UG US UZ VN YU ZA ZM ZW  
 (EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR  
 (OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG  
 (AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW  
 (EA) AM AZ BY KG KZ MD RU TJ TM  
 Publication Language: English  
 Filing Language: English  
 Fulltext Word Count: 6587  
 Main International Patent Class: G06F-017/30  
 Fulltext Availability:  
 Detailed Description  
 Detailed Description  
 ... providers is that of customer "churn".  
 The issue of customer retention is of great importance.  
 Customer acquisition costs are quite substantial, so it is  
 important that  
 9/3,K/10 (Item 10 from file: 349)  
 DIALOG(R)File 349:PCT FULLTEXT  
 (c) 2003 WIPO/Univentio. All rts. reserv.  
 00952600 \*\*Image available\*\*  
 INTERACTIVE LEARNING AND CAREER MANAGEMENT SYSTEM  
 SYSTEME INTERACTIF D'APPRENTISSAGE ET DE GESTION DE CARRIERE  
 Patent Applicant/Assignee:  
 CAREERS FAST TRACK PTY LTD, 212 Kororoit Creek Road, Williamstown,  
 Victoria 3016, AU, AU (Residence), AU (Nationality), (For all  
 designated states except: US)  
 Patent Applicant/Inventor:  
 PHILLIPS Nigel Jude Patrick, 212 Kororoit Creek Road, Williamstown,  
 Victoria 3016, AU, AU (Residence), AU (Nationality), (Designated only  
 for: US)  
 Legal Representative:  
 FREEHILLS CARTER SMITH BEADLE (agent), 101 Collins Street, Melbourne,  
 Victoria 3000, AU,  
 Patent and Priority Information (Country, Number, Date):  
 Patent: WO 200286741 A1 20021031 (WO 0286741)  
 Application: WO 2002AU504 20020422 (PCT/WO AU0200504)  
 Priority Application: AU 20014540 20010420  
 Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU  
 CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP  
 KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ OM PH PL PT RO  
 RU SD SE SG SI SK SL TJ TM TN TR TT TZ UA UG US UZ VN YU ZA ZM ZW  
 (EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR  
 (OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG  
 (AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW  
 (EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English  
Filing Language: English  
Fulltext Word Count: 14792

Main International Patent Class: **G06F-015/16**  
International Patent Class: **G06F-019/00** ...  
Fulltext Availability:  
Detailed Description

Detailed Description

... thereby dramatically reducing  
costs;  
minimising the need for additional marketing expenses and therefore  
reducing the **cost** of **customer acquisitions** ;  
creating demand, providing multiple access channels for products and  
services derived from the invention;  
generating...

9/3,K/11 (Item 11 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
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00945791 \*\*Image available\*\*

**NETWORK BANNER ADVERTISEMENT SYSTEM AND METHOD**  
**SYSTEME DE BANNIERE PUBLICITAIRE SUR RESEAU ET PROCEDE CORRESPONDANT**

Patent Applicant/Assignee:

FPBA GROUP LLC, 336 Audubon Court, New Haven, CT 06510, US, US  
(Residence), US (Nationality), (For all designated states except: US)

Patent Applicant/Inventor:

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(Residence), IL (Nationality), (Designated only for: US)  
CHO Steven Y, 4735 Sepulveda Blvd., Apt. 234, Sherman Oaks, CA 91403, US,  
US (Residence), KR (Nationality), (Designated only for: US)  
ZELL Adam, 2230 Homestead Court, #112, Los Altos, CA 94024, US, US  
(Residence), US (Nationality), (Designated only for: US)

Legal Representative:

MATOS Rick (agent), Innovar, L.L.C., P.O. Box 250647, Plano, TX  
75025-0647, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200279951 A2-A3 20021010 (WO 0279951)  
Application: WO 2002US9994 20020329 (PCT/WO US0209994)  
Priority Application: US 2001279707 20010330; US 2001867223 20010529; US  
2001306887 20010723; US 2001317142 20010906; US 2001322473 20010917; US  
2001330990 20011106; US 2001340864 20011219

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU  
CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP  
KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ OM PH PL PT RO  
RU SD SE SG SI SK SL TJ TM TN TR TT TZ UA UG US UZ VN YU ZA ZM ZW  
(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR  
(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG  
(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW  
(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English  
Filing Language: English  
Fulltext Word Count: 26298

Main International Patent Class: **G06F-017/60**  
Fulltext Availability:  
Detailed Description

Detailed Description

... campaigns for market education purposes, resulting, in some cases, in  
more than a \$100 per **customer acquisition cost** . In many of these  
cases, the customers produced only a: few dollars in return purchases...

9/3,K/12 (Item 12 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
(c) 2003 WIPO/Univentio. All rts. reserv.

00943637 \*\*Image available\*\*

**METHODS AND SYSTEMS FOR ELECTRONIC MAIL, INTERNET TARGET AND DIRECT  
MARKETING, AND ELECTRONIC MAIL BANNER  
PROCEDES ET SYSTEMES POUR COURRIER ELECTRONIQUE, CIBLE INTERNET ET  
MARKETING DIRECT ET BANNIERE DE COURRIER ELECTRONIQUE**

Patent Applicant/Inventor:

CHUNG Michael, 211-35 23rd Ave., #1F, Bayside, NY 11360, US, US  
(Residence), US (Nationality)

Patent and Priority Information (Country, Number, Date):

Patent: WO 200277768 A2-A3 20021003 (WO 0277768)

Application: WO 2002US8832 20020322 (PCT/WO US0208832)

Priority Application: US 2001277651 20010322; US 2001322454 20010917

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU  
CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP  
KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ OM PH PL PT RO  
RU SD SE SG SI SK SL TJ TM TN TR TT TZ UA UG UZ VN YU ZA ZM ZW  
(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR  
(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG  
(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW  
(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 14900

Main International Patent Class: **G06F-013/00**

Fulltext Availability:

Detailed Description

Detailed Description

... will lose more than \$6 million annually in revenues due to higher  
churn and increased **customer acquisition costs** to replace those it  
loses, according to a 1999 report from market researcher Gartner. Add...

9/3,K/13 (Item 13 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
(c) 2003 WIPO/Univentio. All rts. reserv.

00933116 \*\*Image available\*\*

**SYSTEM AND METHOD FOR MONITORING SERVICE PROVIDER ACHIEVEMENTS  
SYSTEME ET PROCEDE DE SURVEILLANCE DE RESULTATS DE FOURNISSEUR DE SERVICES**

Patent Applicant/Assignee:

COMPUTER ASSOCIATES THINK INC, One Computer Associates Plaza, Islandia,  
NY 11749, US, US (Residence), -- (Nationality)

Inventor(s):

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DWYER David, 35B La Bonne Vie Drive, E., Patchogue, NY 11772, US,  
CHEN Kaihu, 16 Wisteria Lane, Lake Grove, NY 11755, US,

Legal Representative:

LECH Robert R (agent), Calfee, Halter & Griswold LLP, 1650 Fifth Third  
Center, 21 East State Street, Columbus, OH 43215-4243, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200267136 A1 20020829 (WO 0267136)

Application: WO 2002US5330 20020220 (PCT/WO US0205330)

Priority Application: US 2001270043 20010220

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU  
CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP



\*KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ OM PH PL PT RO  
RU SD SE SG SI SK SL TJ TM TN TR TT TZ UA UG UZ VN YU ZA ZM ZW  
(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR  
(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG  
(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW  
(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 5450

Main International Patent Class: G06F-015/173

Fulltext Availability:

Detailed Description

Detailed Description

... in the future service provider customers will measure their providers in terms of, for example, **cost** savings, cycle time reduction, **customer retention** and supply chain efficiency. In order for a service provider to convince customers or potential...problem resolution. In the future, customers may wish to measure their providers in terms of **cost** savings, cycle-time reduction, and **customer retention** and supply chain efficiency. The service metering application 250 enables a service provider to match...

9/3,K/14 (Item 14 from file: 349)

DIALOG(R) File 349:PCT FULLTEXT

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00929400 \*\*Image available\*\*

**METHOD AND SYSTEM FOR COMPLETING A TRANSACTION BETWEEN A CUSTOMER AND A MERCHANT**

**PROCEDE ET SYSTEME SERVANT A EXECUTER UNE TRANSACTION ENTRE UN CLIENT ET UN VENDEUR**

Patent Applicant/Assignee:

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Patent Applicant/Inventor:

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LAVELLE Mark L, 6407 Murray Hill Road, Govans, MD 21212, US, US  
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TALBERT Vincent W, 10 Forward Court, Cockeysville, MD 21030, US, US  
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Legal Representative:

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15219-1818, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200263432 A2-A3 20020815 (WO 0263432)

Application: WO 2002US3743 20020207 (PCT/WO US0203743)

Priority Application: US 2001266995 20010207; US 2001275494 20010313; US  
2001328964 20011012

Designated States: AE AG AL AM AT (utility model) AT AU AZ BA BB BG BR BY  
BZ CA CH CN CO CR CU CZ (utility model) CZ DE (utility model) DE DK  
(utility model) DK DM DZ EC EE (utility model) EE ES FI (utility model)  
FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ LC LK LR LS LT LU  
LV MA MD MG MK MN MW MX MZ NO NZ OM PH PL PT RO RU SD SE SG SI SK  
(utility model) SK SL TJ TM TN TR TT TZ UA UG US UZ VN YU ZA ZM ZW  
(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR  
(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG  
(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW  
(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English  
Filing Language: English  
Fulltext Word Count: 14046

Main International Patent Class: G06F-017/60  
Fulltext Availability:  
Detailed Description

#### Detailed Description

... consumer must have a previously established relationship with the third party (credit card issuer). Huge **costs** of **customer acquisition** limit the viability

9/3,K/15 (Item 15 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
(c) 2003 WIPO/Univentio. All rts. reserv.

00911125 \*\*Image available\*\*

#### METHOD AND SYSTEM FOR PREDICTING CAUSES OF NETWORK SERVICE OUTAGES USING TIME DOMAIN CORRELATION

#### PROCEDE ET SYSTEME DESTINES A PREDIRE LES CAUSES D'INTERRUPTIONS DE SERVICE RESEAU AU MOYEN D'UNE MISE EN CORRELATION DANS LE DOMAINE TEMPOREL

Patent Applicant/Assignee:

MICROMUSE INC, 139 Townsend Street, 5th Floor, San Francisco, CA 94107,  
US, US (Residence), US (Nationality)

Inventor(s):

HERRING David, 45 Church Road East Crowthorne, Berkshire RE45 7ND, GB,  
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COLEMAN Neil, 40 Belle Vue Road, Quarry Bank, West Midlands DY5 1AD, GB,  
MARKS Felix, 251 Mayall Road, London SE24 OPQ, GB,

Legal Representative:

OSTROW Seth H (agent), Brown Rausman Millstein, Felder & Steiner LLP, 900 Third Avenue, New York 10022, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200245315 A2-A3 20020606 (WO 0245315)

Application: WO 2001US43140 20011121 (PCT/WO US0143140)

Priority Application: US 2000724025 20001128

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU

CZ DE DK DM DZ EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR

KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ OM PH PL PT RO RU

SD SE SG SI SK SL TJ TM TR TT TZ UA UG UZ VN YU ZA ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR

(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 15215

Main International Patent Class: G06F-017/60  
Fulltext Availability:  
Detailed Description  
Claims

#### Detailed Description

... component representing an affect on service usage based upon the duration of an outage, a **customer retention cost** component representing a number or percentage of customers lost due to the outage, an agreement... $Ts@TE + n*IOWI$ ) - $SUSAGE(Ts5TE+n*IOWI)$ ] / [ $CusAGE(Ts5TE) - SusAGE(TsJE)$ ] The level of **customer retention** component models the **cost** of an outage in terms of the long term loss of customers. This

relationship is...

#### Claim

... method of claim 48, wherein computing the predicted cost of the outage comprises using a **customer retention cost** component representing a number or percentage of customers lost due to the outage.

57 The...

9/3,K/16 (Item 16 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

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00907107 \*\*Image available\*\*

**SYSTEM AND METHOD FOR ISSUING AND MANAGING A PORTFOLIO OF CREDIT INSURANCE POLICIES**

**SYSTEME ET PROCEDE PERMETTANT D'ETABLIR ET DE GERER UN PORTEFEUILLE DE POLICES D'ASSURANCE-CREDIT**

Patent Applicant/Inventor:

BRETVIN Gunnar, Asaveien 22, N-0362 Oslo, NO, NO (Residence), NO  
(Nationality)

Legal Representative:

LEISTAD Geirr I (agent), Jongstubben 19, N-1337 Sandvika, NO,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200241213 A1 20020523 (WO 0241213)

Application: WO 2001NO456 20011116 (PCT/WO NO0100456)

Priority Application: NO 20005848 20001117

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU

CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP

KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD

SE SG SI SK SL TJ TM TR TT TZ UA UG US UZ VN YU ZA ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR

(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 6462

Main International Patent Class: G06F-017/60

Fulltext Availability:

Detailed Description

Detailed Description

... instrument that rationalizes and economizes his lending regarding administrative procedures, risk as well as in **customer acquisition costs**.

The present invention furthermore meets several objectives in giving a borrower better control over his...

9/3,K/17 (Item 17 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

(c) 2003 WIPO/Univentio. All rts. reserv.

00893148 \*\*Image available\*\*

**AUTOMATED NEW ENERGY TECHNOLOGY CONSULTING AND DEMAND AGGREGATION SYSTEM AND METHOD**

**SYSTEME DE CONSULTATION AUTOMATISE DE LA TECHNOLOGIE DES ENERGIES NOUVELLES ET SYSTEME ET PROCEDE DE REGROUPEMENT DE DEMANDES**

Patent Applicant/Inventor:

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(Residence), US (Nationality)  
KAMEN Ronald Jr, 11 Sturges Street, Binghamton, NY 13901, US, US  
(Residence), US (Nationality)

Legal Representative:

ROSS Otho B (agent), 28th Floor (c/o Bierman), 600 Third Avenue, New  
York, NY 10016, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200227240 A2-A3 20020404 (WO 0227240)  
Application: WO 2001US30173 20010926 (PCT/WO US0130173)  
Priority Application: US 2000235492 20000926

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU  
CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP  
KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD  
SE SG SI SK SL TJ TM TR TT TZ UA UG UZ VN YU ZA ZW  
(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR  
(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG  
(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW  
(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 11590

Main International Patent Class: **G06F-017/60**

Fulltext Availability:

Detailed Description  
Claims

English Abstract

...of the energy consulting and marketing process, mass customization,  
demand aggregation, and viral marketing reduce **customer acquisition**  
and component purchasing **costs** and reduce the price to consumers,  
creating new economically viable markets for environmentally friendly  
energy...

Detailed Description

... to the system and dramatically expanding the outreach of the system  
and further decreasing the **costs** of **customer acquisition** .

The NETCONDA asks for simple measurements and energy use statistics for  
the building or site...

Claim

... of claim 1, in which the costs of energy systems are reduced by  
reducing the **costs** of **customer acquisition** by encouraging the  
customer to contribute contact information of others via the website in  
return...of claim 23, in which the costs of energy systems are reduced by  
reducing the **costs** of **customer acquisition** by encouraging the  
customer to contribute contact information of others via the website in  
return...

9/3,K/18 (Item 18 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

(c) 2003 WIPO/Univentio. All rts. reserv.

00878884 \*\*Image available\*\*

**METHOD AND SYSTEM FOR MANAGING ON-LINE SELLING**

**PROCEDE ET SYSTEME DE GESTION DE COMMERCE EN LIGNE**

Patent Applicant/Assignee:

INFOPIA INC, Suite 100, 2855 Cottonwood Parkway, Salt Lake City, UT 84121  
, US, US (Residence), US (Nationality)

Inventor(s):

ESPENES Bjorn, 2618 Chalet Circle, Sandz, UT 84121, US,  
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HARTMAN Jalali, 7765 South 3500 East, Salt Lake, UT 84121, US,

· MAAS Eric, 7015 South Santa Cruz Drive, #22, Salt Lake, UT 84121, US,  
Legal Representative:

SADLER Lloyd W (et al) (agent), Parsons Behle & Latimer, 201 South Main  
Street, Suite 1800, Salt Lake City, UT 84111, US,  
Patent and Priority Information (Country, Number, Date):

Patent: WO 200213098 A1 20020214 (WO 0213098)  
Application: WO 2001US24419 20010803 (PCT/WO US0124419)  
Priority Application: US 2000633050 20000804

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CR CU CZ  
DE DK DM DZ EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ  
LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD SE SG  
SI SK SL TJ TM TR TT TZ UA UG UZ VN YU ZA ZW  
(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR  
(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG  
(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW  
(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 5903

Main International Patent Class: G06F-017/60

Fulltext Availability:

Detailed Description

Detailed Description

... hardware platform independent and to be highly scalable.

This invention provides two major benefits: reduced **customer acquisition cost** and increased e-commerce sales. **Customer acquisition cost** reduction is achieved by broadcasting products to numerous selected e-market places, which deliver high...

9/3,K/19 (Item 19 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

(c) 2003 WIPO/Univentio. All rts. reserv.

00857324 \*\*Image available\*\*

PERMISSION-BASED MARKETING AND DELIVERY SYSTEM AND METHOD

SYSTEME ET PROCEDE DE MARKETING ET DE DIFFUSION BASES SUR LA PERMISSION

Patent Applicant/Inventor:

ADER Jamie, 1024 - 12th Street, #1, Santa Monica, CA 90403, US, US  
(Residence), US (Nationality)

Legal Representative:

LAZARIS Spyros J (agent), Oppenheimer, Wolff & Donnelly LLP, 2029 Century  
Park East, Suite 3800, Los Angeles, CA 90067-3024, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200191015 A1 20011129 (WO 0191015)  
Application: WO 2001US16932 20010523 (PCT/WO US0116932)  
Priority Application: US 2000206275 20000523

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU  
CZ DE DK DM DZ EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR  
KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD SE  
SG SI SK SL TJ TM TR TT TZ UA UG US UZ VN YU ZA ZW  
(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR  
(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG  
(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW  
(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 5717

Main International Patent Class: G06F-017/60

Fulltext Availability:

Detailed Description

Detailed Description

... CDs/DVDs, organizing special promotions including branded programming to highly targeted markets, and facilitating low **customer acquisition cost** for advertisers.

The present invention also includes a media mapping function to facilitate the selection...

9/3,K/20 (Item 20 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

(c) 2003 WIPO/Univentio. All rts. reserv.

00856058 \*\*Image available\*\*

**SYSTEM AND METHOD FOR A PARTLY ON-LINE INTERACTIVE GAME**

**SYSTEME ET PROCEDURE DE JEU INTERACTIF POUVANT SE JOUER PARTIELLEMENT EN LIGNE, PARTIELLEMENT HORS LIGNE**

Patent Applicant/Assignee:

TECHNOLINE INC, 17612 Rustic Hills drive, Eden Prairie, MN 55346-1243, US  
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US)

Patent Applicant/Inventor:

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Legal Representative:

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Patent and Priority Information (Country, Number, Date):

Patent: WO 200188655 A2-A3 20011122 (WO 0188655)

Application: WO 2001IL444 20010517 (PCT/WO IL0100444)

Priority Application: US 2000572585 20000517

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU

CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP

KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD

SE SG SI SK SL TJ TM TR TT TZ UA UG US UZ VN YU ZA ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR

(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 7006

International Patent Class: G06F-017/60

Fulltext Availability:

Detailed Description

Detailed Description

... retailers will

to choose to advertise on vertical portals and affiliate sites which offer lower **customer acquisition costs**. By year 2004, these sites are projected to account for 57 percent of total On...

9/3,K/21 (Item 21 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

(c) 2003 WIPO/Univentio. All rts. reserv.

00843141

**METHOD OF RAISING CAPITAL FOR EARLY STAGE COMPANIES THROUGH BROKER-DEALER  
LEVEE DE CAPITAUX POUR SOCIETES NAISSANTES PAR L'INTERMEDIAIRE D'UN CABINET  
DE COURTAGE**

Patent Applicant/Assignee:

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US (Residence), US (Nationality), (For all designated states except: US)

Patent Applicant/Inventor:

SANBORN Jeffrey A, 209 White Dogwood Drive, Chesapeake, VA 23322, US, US  
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Legal Representative:

WIELAND Charles F III (et al) (agent), Burns, Doane, Swecker & Mathis  
L.L.P., P.O. Box 1404, Alexandria, VA 22313-1404, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200175738 A1 20011011 (WO 0175738)

Application: WO 2001US10459 20010402 (PCT/WO US0110459)

Priority Application: US 2000193364 20000331

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU

CZ DE DK DM DZ EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR

KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD SE

SG SI SK SL TJ TM TR TT TZ UA UG US UZ VN YU ZA ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR

(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 16365

Main International Patent Class: G06F-017/60

Fulltext Availability:

Detailed Description

Claims

Detailed Description

... and investment clubs to compete with one another on the basis of estimated portfolio values. **Customer acquisition costs** incurred by broker-dealers participating in the Online Venture Capital Market remain high. An effective...to view the portfolios and valuations of other participating investors and investment clubs.

14. Reducing **Customer Acquisition Costs** through Securities Offerings

FIG. 14 illustrates a means by which the present invention enables a... securities offerings through a server-based private network of potential investors 11 can reduce **customer acquisition costs** associated with increasing such a private network by issuing its own securities to persons and...

Claim

... dealer undertaking securities offerings through a server-based private network of potential investors can reduce **customer acquisition costs** associated with increasing such a private network by issuing its own securities to persons and...

9/3,K/22 (Item 22 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

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00821299

BIDDING PROCESS

PROCESSUS D'APPEL D'OFFRES

Patent Applicant/Assignee:

POPDYNAMICS INC, P.O. Box 1332, Fredericksburg, VA 22405, US, US  
(Residence), US (Nationality), (For all designated states except: US)

Patent Applicant/Inventor:

PRICE Jett, 38 Dove Lane, Fredericksburg, VA 22405, US, US (Residence),  
US (Nationality), (Designated only for: US)

Legal Representative:

MALONEY Denis G (agent), Fish & Richardson P.C., 225 Franklin Street,  
Boston, MA 02110-2804, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200154023 A1 20010726 (WO 0154023)

Application: WO 2001US1606 20010118 (PCT/WO US0101606)

Priority Application: US 2000484960 20000118

Parent Application/Grant:

Related by Continuation to: US 2000484960 20000118 (CON)

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CR CU CZ

DE DK DM DZ EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ

LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD SE SG

SI SK SL TJ TM TR TT TZ UA UG US UZ VN YU ZA ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR

(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 5696

Main International Patent Class: G06F-017/60

Fulltext Availability:

Detailed Description

Detailed Description

... customer base and group profiles for their business goals.

Additionally, the vendor benefits through lower customer  
acquisition costs .

Referring to FIG. 9B, another version is one-to-many,  
that is, one customer to...

9/3,K/23 (Item 23 from file: 349)

DIALOG(R) File 349:PCT FULLTEXT

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00820461 \*\*Image available\*\*

BIDDING PROCESS ASSISTANT

ASSISTANT DE PROCEDE D'APPEL D'OFFRES

Patent Applicant/Assignee:

POPDYNAMICS INC, P.O. Box 1332, Fredericksburg, VA 22405, US, US

(Residence), US (Nationality), (For all designated states except: US)

Patent Applicant/Inventor:

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US (Nationality), (Designated only for: US)

Legal Representative:

MALONEY Denis G (agent), Fish & Richardson P.C., 225 Franklin Street,

Boston, MA 02110-2804, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200154024 A1 20010726 (WO 0154024)

Application: WO 2001US1607 20010118 (PCT/WO US0101607)

Priority Application: US 2000484972 20000118

Parent Application/Grant:

Related by Continuation to: US 2000484972 20000118 (CON)

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CR CU CZ

DE DK DM DZ EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ

LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD SE SG

SI SK SL TJ TM TR TT TZ UA UG US UZ VN YU ZA ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR

(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English



Filing Language: English  
Fulltext Word Count: 5346

Main International Patent Class: **G06F-017/60**  
Fulltext Availability:  
Detailed Description

Detailed Description

... customer base and group profiles for their business goals.

Additionally, the vendor benefits through lower **customer acquisition costs**.

Referring to FIG. 9Bi another version is one-to-many, that is, one customer to...

**9/3,K/24 (Item 24 from file: 349)**  
DIALOG(R) File 349:PCT FULLTEXT  
(c) 2003 WIPO/Univentio. All rts. reserv.

00807401 \*\*Image available\*\*

**METHODS AND SYSTEMS FOR MARKET CLEARANCE**

**PROCEDES ET SYSTEMES DESTINES A L'EQUILIBRE DU MARCHÉ**

Patent Applicant/Inventor:

ALSBERG Peter A, 750 South Hunter Lane, Lake Forest, IL 60045, US, US  
(Residence), US (Nationality)

WISE Andrew J, 11490 Old Ranch Road, Los Altos Hills, CA 94024, US, US  
(Residence), US (Nationality)

Legal Representative:

GARRETT Arthur S (et al) (agent), Finnegan, Henderson, Farrahaw Garrett &  
Dunner, L.L.P., 1300 I Street, N.W., Washington, DC 20005-3315, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200140977 A2 20010607 (WO 0140977)

Application: WO 2000US32776 20001204 (PCT/WO US0032776)

Priority Application: US 99169338 19991206

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CR CU CZ

DE DK DM DZ EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ

LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD SE SG

SI SK SL TJ TM TR TT TZ UA UG UZ VN YU ZA ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR

(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 25288

Main International Patent Class: **G06F-017/60**  
Fulltext Availability:  
Detailed Description

Detailed Description

... this pricing method is that it encourages buyers to recruit other buyers and reduces the **customer acquisition costs** of the seller.

Note that the retailer is motivated to set the pricing steps to...

**9/3,K/25 (Item 25 from file: 349)**  
DIALOG(R) File 349:PCT FULLTEXT  
(c) 2003 WIPO/Univentio. All rts. reserv.

00807393 \*\*Image available\*\*

**METHOD AND APPARATUS FOR NETWORK ACCESS**

**DISPOSITIF ET PROCEDE D'ACC A UN RESEAU**

Patent Applicant/Assignee:

AMICUS SOFTWARE PTY LTD, Ground Floor, 22 Atchison Street, St Leonards,  
NSW 2065, AU, AU (Residence), AU (Nationality), (For all designated  
states except: US)

Patent Applicant/Inventor:

HARTMAN Alex James, Ground Floor, 22 Atchison Street, St Leonards, NSW  
2065, AU, AU (Residence), AU (Nationality), (Designated only for: US)

Legal Representative:

F B RICE & CO (agent), 139 Rathdowne Street, Carlton, VIC 3053, AU,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200140964 A1 20010607 (WO 0140964)

Application: WO 2000AU1485 20001201 (PCT/WO AU0001485)

Priority Application: US 99167477 19991201

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CR CU CZ

DE DK DM DZ EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ

LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD SE SG

SI SK SL TJ TM TR TT TZ UA UG US UZ VN YU ZA ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR

(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 13019

Main International Patent Class: **G06F-017/00**

Fulltext Availability:

Detailed Description

Detailed Description

... and increase

Service Provider revenue by improving value-added services, content and  
advertising space, improving **customer retention** and reducing support  
**costs** .

It will be appreciated by persons skilled in the art that numerous  
variations and/or...

**9/3,K/26 (Item 26 from file: 349)**

DIALOG(R)File 349:PCT FULLTEXT

(c) 2003 WIPO/Univentio. All rts. reserv.

00797927 \*\*Image available\*\*

**SYSTEM AND METHOD FOR PROVIDING A PREVIEW MARKETING NETWORK**

**SYSTEME ET PROCEDE DESTINE A ALIMENTER UN RESEAU COMMERCIAL A  
PREVISUALISATIONS**

Patent Applicant/Assignee:

FIRSTLOOK COM, Suite 2000, 15260 Ventura Boulevard, Sherman Oaks, CA  
91403-5351, US, US (Residence), US (Nationality)

Inventor(s):

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BLEIMEISTER Rand, 1519 Ensley Avenue, Los Angeles, CA 90024, US,

ALTSTATT Hamilton, 4022 Patrick Henry Place, Agoura Hills, CA 91301, US,

Legal Representative:

BERLINER Brian M (et al) (agent), O'Melveny & Myers LLP, 400 South Hope  
Street, Los Angeles, CA 90071-2899, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200131490 A2-A3 20010503 (WO 0131490)

Application: WO 2000US29812 20001026 (PCT/WO US0029812)

Priority Application: US 99428038 19991027

Designated States: AU CA CN JP KR SG

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE

Publication Language: English

Filing Language: English  
Fulltext Word Count: 9688

Main International Patent Class: G06F-017/60  
Fulltext Availability:  
Detailed Description

Detailed Description

... and they set the price per click, there are no risks or surprises associated with **customer acquisition costs**. In other words, the preview marketing network allows advertisers to control the **customer acquisition cost** for the products and services they preview through the network, and only pay that cost...

9/3,K/27 (Item 27 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
(c) 2003 WIPO/Univentio. All rts. reserv.

00788812 \*\*Image available\*\*

**SYSTEM AND METHOD FOR ADMINISTERING A COMMUNICATION NETWORK BASED AUCTION  
SYSTEME ET PROCEDE DE GESTION DE VENTES AUX ENCHERES SUR RESEAU DE  
COMMUNICATIONS**

Patent Applicant/Assignee:

MABOOL COM INC, 262 Central Park West, New York, NY 10024, US, US  
(Residence), US (Nationality)

Inventor(s):

RABINOWICH Eli, 262 Central Park West, New York, NY 10024, US,  
MANDELBAUM Eli, 280 East Penn, Long Beach, NY 11561, US,

Legal Representative:

MISROCK S Leslie (et al) (agent), Pennie & Edmonds LLP, 1155 Avenue of  
the Americas, New York, NY 10036, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200122326 A1 20010329 (WO 0122326)

Application: WO 2000US26043 20000922 (PCT/WO US0026043)

Priority Application: US 99401446 19990922

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CR CU CZ

DE DK DM DZ EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ

LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD SE SG

SI SK SL TJ TM TR TT TZ UA UG UZ VN YU ZA ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE

(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 5700

Main International Patent Class: G06F-017/60  
Fulltext Availability:  
Detailed Description

Detailed Description

... money towards the product by submitting the bid. This unique relationship may dramatically reduce the **cost of customer acquisition** for the system's associated merchants 90.

Auction administrator 55 runs the auctions on the...

9/3,K/28 (Item 28 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
(c) 2003 WIPO/Univentio. All rts. reserv.

00779717 \*\*Image available\*\*

**AGGREGATION ENGINE**

**MOTEUR D'AGREGATION**

Patent Applicant/Assignee:

DEMANDLINE COM INC, Suite 130, 999 Bayhill Drive, San Bruno, CA 94066, US  
, US (Residence), US (Nationality), (For all designated states except:  
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Patent Applicant/Inventor:

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BURNS Patrick Edmund, 2800 Green Street, San Francisco, CA 94123, US, US  
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Legal Representative:

DAVIS Paul (agent), Wilson, Sonsini, Goodrich & Rosati, 650 Page Mill  
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Patent and Priority Information (Country, Number, Date):

Patent: WO 200113300 A2 20010222 (WO 0113300)

Application: WO 2000US22022 20000810 (PCT/WO US0022022)

Priority Application: US 99374396 19990813

Parent Application/Grant:

Related by Continuation to: US 99374396 19990813 (CON)

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CR CU CZ

DE DK DM DZ EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ

LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD SE SG

SI SK SL TJ TM TR TT TZ UA UG US UZ VN YU ZA ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE

(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 7679

Main International Patent Class: G06F-017/60

Fulltext Availability:

Detailed Description

Detailed Description

... industries where there are high fixed  
costs, excess capacity, multiple lots of competitors and high **customer  
acquisition costs** .

Smaller organizations cannot effectively participate in such bilateral  
buyer-driven systems because they generally do...

9/3,K/29 (Item 29 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

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00774487 \*\*Image available\*\*

**SYSTEMS AND METHODS FOR EVALUATING INFORMATION ASSOCIATED WITH A  
TRANSACTION TO DETERMINE A SUBSIDY OFFER**

**SYSTEMES ET PROCEDES POUR EVALUER DES INFORMATIONS ASSOCIEES A UNE  
TRANSACTION POUR DETERMINER UNE OFFRE DE SUBVENTION**

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Patent and Priority Information (Country, Number, Date):

Patent: WO 200108025 A2 20010201 (WO 0108025)  
Application: WO 2000US18474 20000706 (PCT/WO US0018474)  
Priority Application: US 99143396 19990712; US 2000579215 20000526  
Designated States: AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CU CZ DE DK  
DZ EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ LC LK LR  
LS LT LU LV MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD SE SG SI SK SL TJ  
TM TR TT UA UG US UZ VN YU ZW  
(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE  
(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG  
(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW  
(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 11692

Main International Patent Class: G06F-017/60

Fulltext Availability:

Detailed Description

Detailed Description

... to many people who will not be interested in the promotion, increasing  
the merchant's **customer acquisition cost**. Moreover, the merchant  
will not be able to use information about a particular transaction (e...

9/3,K/30 (Item 30 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

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00758810 \*\*Image available\*\*

**MULTIPARTY TRADING SYSTEM**

**SYSTEME D'ECHANGE ENTRE PLUSIEURS PARTIES**

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Patent and Priority Information (Country, Number, Date):

Patent: WO 200072209 A2 20001130 (WO 0072209)  
Application: WO 2000US14069 20000522 (PCT/WO US0014069)  
Priority Application: US 99135234 19990521  
Designated States: AL AM AT AU AZ BA BB BG BR BY CA CH CN CU CZ DE DK EE ES  
FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ LC LK LR LS LT LU  
LV MD MG MK MN MW MX NO NZ PL PT RO RU SD SE SG SI SK SL TJ TM TR TT UA

UG US UZ VN YU ZA ZW  
(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE  
(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG  
(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW  
(EA) AM AZ BY KG KZ MD RU TJ TM  
Publication Language: English  
Filing Language: English  
Fulltext Word Count: 12327

Main International Patent Class: G06F-017/60

Fulltext Availability:

Detailed Description

Claims

Detailed Description

... then becomes the MAXIMUM cost per trade to  
the system and becomes part of the **cost of customer acquisition** .  
It is noted that when PMINi is set as described herein above, it is  
important...

Claim

... said PMINi  
becomes a maximum cost per trade to said system and thereby part of  
**customer acquisition cost** .

90 The method of Claim 89, wherein said system automatically keeps a  
running total of...

9/3,K/31 (Item 31 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

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00576345 \*\*Image available\*\*

**METHOD FOR SYNCHRONISING PRODUCT PRESENTATION WITH CUSTOMER NEEDS**  
**PROCEDE DE SYNCHRONISATION DE LA PRESENTATION D'UN PRODUIT AVEC LE BESOIN**  
**D'UN CLIENT**

Patent Applicant/Assignee:

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FORD Timothy,

Inventor(s):

FORD Timothy,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200039718 A1 20000706 (WO 0039718)

Application: WO 99AU1161 19991224 (PCT/WO AU9901161)

Priority Application: AU 987943 19981224

Designated States: AU GB NZ US

Publication Language: English

Fulltext Word Count: 6581

Main International Patent Class: G06F-017/60

Fulltext Availability:

Detailed Description

Detailed Description

... consciously aware of their need for the product, these types of  
strategies result in high **customer acquisition costs** .

Another problem associated with prior art lead generating methods is  
that they may typically be...

9/3,K/32 (Item 32 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

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00571537

**CUSTOMER RELATIONSHIP MANAGEMENT SYSTEM AND METHOD  
SYSTEME ET PROCEDE DE GESTION DE RELATION CLIENT**

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Patent and Priority Information (Country, Number, Date):

Patent: WO 200034910 A2 20000615 (WO 0034910)

Application: WO 99US29247 19991209 (PCT/WO US9929247)

Priority Application: US 98210296 19981211

Designated States: AE AL AM AT AU AZ BA BB BG BR BY CA CH CN CU CZ DE DK EE

ES FI GB GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ LC LK LR LS LT LU

LV MD MG MK MN MW MX NO NZ PL PT RO RU SD SE SG SI SK TJ TM TR TT UA UG

UZ VN YU ZA ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE

(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG

(AP) GH GM KE LS MW SD SL SZ TZ UG ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 20993

Main International Patent Class: **G06F-017/60**

Fulltext Availability:

Detailed Description

Detailed Description

... customer loyalty is enhanced, which reduces customer development  
costs; improved targeting of marketing campaigns reduces **customer**  
**acquisition costs** ; and customers feel that the business is becoming  
more responsive to their needs and treating...savings

offer

HH-Max-number-of campaigns\*

HH-Min- number-of campaigns\*

Customer-relationship

age

**Customer - acquisition  
cost**

Customer-service- cost

**Customer - retention - cost**

Customer

profitability\*

Customer-marketing

budget

Customer-future

profitability

score

Customer-risk-score

Customer-LTV-score

Page 1

35

Fact Table

Customerattrition-score

Customer-attitudinal

segment

**Customer - acquisition - cost**

Customer-lifestyle

segment

Customer-activity

segment  
Customer-needs  
segment  
Customer-adhoc  
segment  
Customer  
probability  
of...

9/3,K/33 (Item 33 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
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00465455 \*\*Image available\*\*

DISTRIBUTED COMPUTER SYSTEM

SYSTEME D'INFORMATIQUE DISTRIBUE

Patent Applicant/Assignee:

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MAATS Job,

Inventor(s):

MAATS Job,

Patent and Priority Information (Country, Number, Date):

Patent: WO 9855920 A1 19981210

Application: WO 98GB1668 19980608 (PCT/WO GB9801668)

Priority Application: GB 9711787 19970606

Designated States: AL AM AT AU AZ BA BB BG BR BY CA CH CN CU CZ DE DK EE ES

FI GB GE GH GM GW HU ID IL IS JP KE KG KP KR KZ LC LK LR LS LT LU LV MD

MG MK MN MW MX NO NZ PL PT RO RU SD SE SG SI SK SL TJ TM TR TT UA UG US

UZ VN YU ZW GH GM KE LS MW SD SZ UG ZW AM AZ BY KG KZ MD RU TJ TM AT BE

CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE BF BJ CF CG CI CM GA GN

ML MR NE SN TD TG

Publication Language: English

Fulltext Word Count: 14100

Main International Patent Class: G06F-009/46

Fulltext Availability:

Detailed Description

Detailed Description

... in cyber real estate and reflects the inherent benefit of loyalty technologies and the high **cost** of initial **customer acquisition** relative to the **cost** of customer maintenance. The logical expectation is therefore that more and more overlapping webs will...



10/3,K/1 (Item 1 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
(c) 2003 WIPO/Univentio. All rts. reserv.

00809407 \*\*Image available\*\*

**INFORMATION AND COMMERCE SYSTEMS**

**SYSTEMES D'INFORMATIONS ET DE COMMERCE**

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Patent and Priority Information (Country, Number, Date):

Patent: WO 200143041 A2 20010614 (WO 0143041)

Application: WO 2000US42384 20001129 (PCT/WO US0042384)

Priority Application: US 99168074 19991130

Designated States: US

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR

Publication Language: English

Filing Language: English

Fulltext Word Count: 13428

Fulltext Availability:

Detailed Description

Detailed Description

... technology enablement, customer service for marketplace consultants,  
industry specific programs, customer integration and media services,  
**customer acquisition** and **investment** incentives to build the market.  
The virtual space 4 1 0 not only enhances the...

?

14/3,K/1 (Item 1 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
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00943767 \*\*Image available\*\*

**SYSTEM, METHOD AND COMPUTER PROGRAM PRODUCT FOR A SUPPLY CHAIN MANAGEMENT  
SYSTEME, PROCEDE ET PRODUIT PROGRAMME INFORMATIQUE CONCUS POUR UNE GESTION  
DE CHAINE D'APPROVISIONNEMENT**

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BESSETTE Robert John, Restaurant Services, Inc., Two Alhambra Plaza,

Detailed Description

... increases the Quality Of Service (QOS) to supply chain participants, lowers costs and adds new **value** to supply chain participants with its "predictive" nature based on statistically driven models, discussed below ...is allowed to evaluate the success of past marketing programs by comparing actual sales to **forecasts** and reviewing Gross **Profit Margin** an alyses of programs.

According to an embodiment of the present invention, Supply-Chain management...

?

16/3,K/1 (Item 1 from file: 348)  
DIALOG(R)File 348:EUROPEAN PATENTS  
(c) 2003 European Patent Office. All rts. reserv.

01417763

Method and apparatus for determining one or more statistical estimators of customer behaviour

Verfahren und Vorrichtung zur Feststellung von ein- oder mehreren statistischen Schatzern des Kauferverhaltens

Methode et appareil pour la determination d'un ou plusieurs estimateurs du comportement d'acheteurs

PATENT ASSIGNEE:

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INVENTOR:

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LEGAL REPRESENTATIVE:

Cleary, Fidelma (85871), International IP Department NCR Limited 206  
Marylebone Road, London NW1 6LY, (GB)

PATENT (CC, No, Kind, Date): EP 1197899 A1 020417 (Basic)

APPLICATION (CC, No, Date): EP 2001302917 010328;

PRIORITY (CC, No, Date): GB 13011 000526

DESIGNATED STATES: DE; ES; FR; GB; IT

EXTENDED DESIGNATED STATES: AL; LT; LV; MK; RO; SI

INTERNATIONAL PATENT CLASS: G06F-017/60

ABSTRACT WORD COUNT: 167

NOTE:

Figure number on first page: 1

LANGUAGE (Publication,Procedural,Application): English; English; English

FULLTEXT AVAILABILITY:

Available Text	Language	Update	Word Count
CLAIMS A	(English)	200216	670
SPEC A	(English)	200216	3837
Total word count - document A			4507
Total word count - document B			0
Total word count - documents A + B			4507

...SPECIFICATION For example, marginal distributions and predictive densities can be performed.

In the case that the **customer** data comprises information about transactions, the method gives outputs such as probabilities that particular **customers** will enter into certain transactions. For example, if the **customer** is a bank **customer**, the probability that a **customer** will leave a bank at a certain time can also be estimated. In this way an **estimate** of the **lifetime value** of that **customer** to the bank can be gained.

A detailed example of the method is now described...the future or to estimate the frequency and nature of future customer transactions. Using such **estimates** the **lifetime value** of particular **customers** to a business can be estimated.

References

Ferguson, T. S. (1973) A Bayesian analysis of...

16/3,K/2 (Item 1 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
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00988010

A FINANCIAL PLANNING AND COUNSELING SYSTEM PROJECTING USER CASH FLOW

SYSTEME DE CONSEIL ET DE PLANIFICATION FINANCIERE PROJETANT LE FLUX DE  
TRESORERIE DE L'UTILISATEUR

Patent Applicant/Assignee:

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Page Mill Road, Palo Alto, CA 94304, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200317168 A2 20030227 (WO 0317168)

Application: WO 2002US25500 20020808 (PCT/WO US0225500)

Priority Application: US 2001929610 20010813

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU

CZ DE DK DM DZ EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR

KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD SE

SG SI SK SL TJ TM TR TT TZ UA UG US UZ VN YU ZA ZW

(EP) AT BE BG CH CY CZ DE DK EE ES FI FR GB GR IE IT LU MC NL PT SE SK TR

(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 7914

Fulltext Availability:

Detailed Description

Detailed Description

... to better achieve his long term financial goals.

The LifePath interactive financial model may capture **customer** 's intentions at the start of the relationship and displays them as lifetime cash flow requirements. **Customer** data and LifePath information combine to form a deep understanding of the **customer** 's financial needs at each stage of life. Using dynamic, interactive multimedia, it quickly captures the **customer** 's intentions and expectations about an ideal future. This flushes out some issues which trigger the initial discussions in the relationship. It also supports **estimating** the **lifetime value** of the **customer** and the appropriate levels of service. The data from this model combines with insight from...

16/3,K/3 (Item 2 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

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00988007

COMMUNICATION INTERFACE FOR A FINANCIAL MODELING AND COUNSELING SYSTEM

INTERFACE DE COMMUNICATION POUR SYSTEME DE MODELISATION ET DE CONSEIL FINANCIER

Patent Applicant/Assignee:

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Patent Applicant/Inventor:

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Legal Representative:

EDWARDS Glenn W (et al) (agent), Oppenheimer Wolff & Donnelly LLP, 1400

Page Mill Road, Palo Alto, CA 94304, US,  
Patent and Priority Information (Country, Number, Date):  
Patent: WO 200317040 A2 20030227 (WO 0317040)  
Application: WO 2002US25488 20020809 (PCT/WO US0225488)  
Priority Application: US 2001929735 20010813  
Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU  
CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP  
KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ OM PH PL PT RO  
RU SD SE SG SI SK SL TJ TM TN TR TT TZ UA UG US UZ VC VN YU ZA ZM ZW  
(EP) AT BE BG CH CY CZ DE DK EE ES FI FR GB GR IE IT LU MC NL PT SE SK TR  
(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG  
(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW  
(EA) AM AZ BY KG KZ MD RU TJ TM  
Publication Language: English  
Filing Language: English  
Fulltext Word Count: 9107

Fulltext Availability:  
Detailed Description

#### Detailed Description

... flushes out some issues which trigger the initial discussions in the relationship. It also supports **estimating** the **lifetime value** of the **customer** and the appropriate levels of service. The data from this model combines with insight from...

...based advice engines. This automated advice leverages the advisor's time so that a broad **customer** based can be profitably supported. Configured using sliders and other interactive controls, there is ...models predictable life transitions over time more effectively than data-driven calculators. Sales opportunities, lifetime **customer** value and appropriate fee structure are now more accurately identified.

Risk analysis may be integrated...

16/3,K/4 (Item 3 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
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00985862 \*\*Image available\*\*

#### FINANCIAL MODELING AND COUNSELING SYSTEM SYSTEME DE MODELISATION ET DE CONSEIL FINANCIER

Patent Applicant/Assignee:

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(Residence), US (Nationality), (For all designated states except: US)

Patent Applicant/Inventor:

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SLUTSKY Stephen B, Penthouse B, 206 St. George Street, Toronto, Ontario  
M5R 2N6, CA, CA (Residence), CA (Nationality), (Designated only for:  
US)

Legal Representative:

EDWARDS Glenn W (et al) (agent), Oppenheimer Wolff & Donnelly LLP, 1400  
Page Mill Road, Palo Alto, CA 94304, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200314884 A2-A3 20030220 (WO 0314884)  
Application: WO 2002US25489 20020809 (PCT/WO US0225489)  
Priority Application: US 2001927560 20010810

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU  
CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP  
KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ OM PH PL PT RO  
RU SD SE SG SI SK SL TJ TM TN TR TT TZ UA UG US UZ VN YU ZA ZM ZW  
(EP) AT BE BG CH CY CZ DE DK EE ES FI FR GB GR IE IT LU MC NL PT SE SK TR  
(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ S SL SZ TZ UG ZM ZW  
(EA) AM AZ BY KG KZ MD RU TJ TM  
Publication Language: English  
Filing Language: English  
Fulltext Word Count: 13956

Fulltext Availability:  
Detailed Description

Detailed Description

... intentions at the start of the relationship and displays them as lifetime cash flow requirements.

**Customer** data and LifePath information combine to form a deep understanding of I 0 the **customer** 's financial needs at each stage of life. Using dynamic, interactive multimedia, it quickly captures the **customer** 's intentions and expectations about an ideal future. This flushes out some issues which trigger the initial discussions in the relationship. It also supports **estimating** the **lifetime value** of the **customer** and the appropriate levels of service. The data from this model combines with insight from...

...based advice engines. This automated advice leverages the advisor's time so that a broad **customer** based can be ...models predictable life transitions over time more effectively then data-driven calculators. Sales opportunities, lifetime **customer** value and appropriate fee structure are now more accurately identified.

Coaching generating subsystem 172 comprises...

16/3,K/5 (Item 4 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
(c) 2003 WIPO/Univentio. All rts. reserv.

00895554 \*\*Image available\*\*

**SYSTEM AND METHOD FOR MONITORING, MANAGING AND VALUING CREDIT ACCOUNTS**  
**SYSTEME ET PROCEDE DE SURVEILLANCE, DE GESTION ET D'EVALUATION DE COMPTES**  
**DE CREDIT**

Patent Applicant/Assignee:

ARGUS INFORMATION & ADVISORY SERVICES LLC, 81 Main Street, Suite 124,  
White Plains, NY 10601, US, US (Residence), US (Nationality), (For all  
designated states except: US)

Patent Applicant/Inventor:

SULKOWSKI Nikolas, 240 East 76th Street, Apartment #14N, New York, NY  
10021, US, US (Residence), US (Nationality), (Designated only for: US)  
LAUFER Leonard, 2 Richbell Road, Scarsdale, NY 10583, US, US (Residence),  
US (Nationality), (Designated only for: US)  
BANERJEE Nana, 1525 Crescent Drive, Tarrytown, NY 10591, US, US  
(Residence), IN (Nationality), (Designated only for: US)

Legal Representative:

RZUCIDLO Eugene C (et al) (agent), Greenberg Traurig, LLP, 21st Floor,  
885 Third Avenue, New York, NY 10022, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200229693 A1 20020411 (WO 0229693)  
Application: WO 2001US31711 20011005 (PCT/WO US0131711)  
Priority Application: US 2000238586 20001006

Parent Application/Grant:

Related by Continuation to: US 2000238586 20001006 (CON)

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU  
CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP  
KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ PH PL PT RO RU  
SD SE SG SI SK SL TJ TM TR TT TZ UA UG US UZ VN YU ZA ZW  
(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR  
(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW  
(EA) AM AZ BY KG KZ MD RU TJ TM  
Publication Language: English  
Filing Language: English  
Fulltext Word Count: 9319

Fulltext Availability:  
Detailed Description

Detailed Description

... the Lifetime-value  
(LTV) framework, is directed to a system and method that permits accurate **forecasting** of the future **value** of credit accounts. The LTV framework **estimates** the **Lifetime - value** of each credit account. An account is characterized by its cash flows, product attributes, and degree of belongingness to **customer** behavior segments based on common patterns such as revolving and transacting. By examining how accounts...

16/3,K/6 (Item 5 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
(c) 2003 WIPO/Univentio. All rts. reserv.

00833781 \*\*Image available\*\*

**A USER INTERFACE FOR A FINANCIAL MODELING SYSTEM**  
**INTERFACE UTILISATEUR POUR SYSTEME DE MODELE FINANCIER**

Patent Applicant/Assignee:

ACCENTURE LLP, 1661 Page Mill Road, Palo Alto, CA 94304, US, US  
(Residence), US (Nationality)

Inventor(s):

SLOAN Ronald E, 228 Briar Hill Avenue, Toronto, Ontario M4R 1J2, CA,  
SLUTSKY Stephen B, Penthouse B, 206 St. George Street, Toronto, Ontario  
M5R 2N6, CA,

Legal Representative:

Hickman Paul L (agent), Oppenheimer Wolff & Donnelly LLP, Suite 3800,  
2029 Century Park East, Los Angeles, CA 90067, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200167334 A2 20010913 (WO 0167334)

Application: WO 2000US41855 20001101 (PCT/WO US0041855)

Priority Application: US 99431684 19991101; US 2000579852 20000525

Designated States: AL AM AT AU AZ BA BB BG BR BY CA CH CN CU CZ DE DK EE ES

FI GB GE GH GM HR HU ID IL IS JP KE KG KP KR KZ LC LK LR LS LT LU LV MD

MG MK MN MW MX NO NZ PL PT RO RU SD SE SG SI SK SL TJ TM TR TT UA UG UZ

VN YU ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR

(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 10370

Fulltext Availability:  
Detailed Description

Detailed Description

... to better achieve his long term financial goals.

The LifePath interactive financial model may capture **customer** 's intentions at the start of the relationship and displays them as lifetime cash flow requirements. **Customer** data and LifePath information combine to form a deep understanding of the **customer** 's financial needs at each stage of life. Using dynamic, interactive multimedia, it quickly captures the **customer** 's intentions and expectations about an ideal future. This



flushes out some issues which trigger the initial discussions in the relationship. It also supports **estimating the lifetime value** of the **customer** and the appropriate levels of service. The data from this model combines with insight from...

...based advice engines. This automated advice leverages the advisor's time so that a broad **customer** based can be profitably supported. Configured using sliders and other interactive controls, there is little...

...down. The controls build a linear

13  
effectively then data-driven calculators. Sales opportunities, lifetime **customer** value and appropriate fee structure are now more accurately identified.

Coaching generating subsystem 172 comprises...flushes out some issues which trigger the initial discussions in the relationship. It also supports **estimating the lifetime value** of the **customer** and the appropriate levels of service. The data from this model combines with insight from...

...based advice engines. This automated advice leverages the advisor's time so that a broad **customer** based can be profitably supported. Configured using sliders and other interactive controls, there is little...

16/3,K/7 (Item 6 from file: 349)

DIALOG(R) File 349:PCT FULLTEXT

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00804463

**COMMUNICATION INTERFACE FOR A FINANCIAL MODELING AND COUNSELING SYSTEM**  
**INTERFACE DE COMMUNICATION DESTINEE A UN SYSTEME DE MODELISATION ET DE**  
**CONSEIL FINANCIERS**

Patent Applicant/Assignee:

ACCENTURE LLP, 1661 Page Mill Road, Palo Alto, CA 94304, US, US

(Residence), US (Nationality)

Inventor(s):

SLOAN Ronald E, 228 Briar Hill Avenue, Toronto, Ontario M4R 1J2, CA,

SLUTSKY Stephen B, Penthouse B, 206 St. George Street, Toronto, Ontario

M5R 2N6, CA,

Legal Representative:

COLEMAN Brian R (agent), Oppenheimer Wolff & Donnelly LLP, 1400 Page Mill Road, Palo Alto, CA 94304, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200137187 A2 20010525 (WO 0137187)

Application: WO 2000US41850 20001101 (PCT/WO US0041850)

Priority Application: US 99431389 19991101; US 99452273 19991130; US

2000579849 20000525

Designated States: AL AM AT AU AZ BA BB BG BR BY CA CH CN CU CZ DE DK EE ES

FI GB GE GH GM HR HU ID IL IS JP KE KG KP KR KZ LC LK LR LS LT LU LV MD

MG MK MN MW MX NO NZ PL PT RO RU SD SE SG SI SK SL TJ TM TR TT UA UG UZ

VN YU ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR

(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 10857

Fulltext Availability:

Detailed Description

Detailed Description

... flushes out some issues which trigger the initial discussions in the relationship. It also supports **estimating** the **lifetime value** of the **customer** and the appropriate levels of service. The data from this model combines with insight  
24...

...based advice engines. This automated advice leverages the advisor's time so that a broad **customer** based can be profitably supported. Configured using sliders and other interactive controls, there is little... predictable life transitions over time more effectively then data-driven calculators. Sales opportunities, lifetime **customer** value and appropriate fee structure are now more accurately identified.

Risk analysis may be integrated...

16/3,K/8 (Item 7 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
(c) 2003 WIPO/Univentio. All rts. reserv.

00800768

**A FINANCIAL PLANNING AND COUNSELING SYSTEM PROJECTING USER CASH FLOW  
PROJECTION EN MATIERE DE SYSTEME DE CONSEILS ET DE PLANIFICATION FINANCIERS**

Patent Applicant/Assignee:

ACCENTURE LLP, 1661 Page Mill Road, Palo Alto, CA 94304, US, US  
(Residence), US (Nationality)

Inventor(s):

SLOAN Ronald E, 228 Briar Hill Avenue, Toronto, Ontario M4R 1J2, CA,  
SLUTSKY Stephen B, Penthouse B, 206 St. George Street, Toronto, Ontario  
M5R 2N6, CA,

Legal Representative:

COLEMAN Brian R (agent), Oppenheimer Wolff & Donnelly LLP, 1400 Page Mill  
Road, Palo Alto, CA 94304, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200133476 A2 20010510 (WO 0133476)

Application: WO 2000US41872 20001101 (PCT/WO US0041872)

Priority Application: US 99431668 19991101; US 2000580273 20000525

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CU CZ DE  
DK DM DZ EE ES FI GB GE GH GM HR HU ID IL IS JP KE KG KP KR KZ LC LK LR  
LS LT LU LV MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD SE SG SI SK SL TJ  
TM TR TT TZ UA UG UZ VN YU ZA ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR

(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 11436

Fulltext Availability:

Detailed Description

Detailed Description

... better achieve his long term financial goals.

14

The LifePath interactive financial model may capture **customer** 's intentions at the start of the relationship and displays them as lifetime cash flow requirements. **Customer** data and LifePath information combine to form a deep understanding of the **customer** 's financial needs at each stage of life. Using dynamic, interactive multimedia, it quickly captures the **customer** 's intentions and expectations about an ideal future. This flushes out some issues which trigger the initial discussions in the relationship. It also supports **estimating** the **lifetime value** of the **customer** and the appropriate levels of service. The data from this

model combines with insight from...

...based advice engines. This automated advice leverages the advisor's time so that a broad **customer** based can be profitably supported. Configured using sliders and other interactive controls, there is little...models predictable life transitions over time more effectively than data-driven calculators. Sales opportunities, lifetime **customer** value and appropriate fee structure are now more accurately identified.

Coaching generating subsystem 172 comprises...flushes out some issues which trigger the initial discussions in the relationship. It also supports **estimating** the **lifetime value** of the **customer** and the appropriate levels of service. The data from this model combines with insight from...

...based advice engines. This automated advice leverages the advisor's time so that a broad **customer** based can be profitably supported. Configured using sliders and other

32

interactive controls, there is...models predictable life transitions over time more effectively than data-driven calculators. Sales opportunities, lifetime **customer** value and appropriate fee structure are now more accurately identified.

Risk analysis may be integrated...

16/3,K/9 (Item 8 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
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00800763

**FINANCIAL MODELING AND COUNSELING SYSTEM**  
**SYSTEME DE MODELISATION ET DE CONSEILS FINANCIERS**

Patent Applicant/Assignee:

ACCENTURE LLP, 1661 Page Mill Road, Palo Alto, CA 94304, US, US  
(Residence), US (Nationality)

Inventor(s):

SLOAN Ronald E, 228 Briar Hill Avenue, Toronto, Ontario M4R 1J2, CA,  
SLUTSKY Stephen B, Penthouse B, 206 St. George Street, Toronto, Ontario  
M5R 2N6, CA,

Legal Representative:

HICKMAN Paul (et al) (agent), Oppenheimer Wolff & Donnelly LLP, 2029  
Century Park East, Suite 3800, Los Angeles, CA 90067-3024, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200133467 A2 20010510 (WO 0133467)  
Application: WO 2000US30389 20001101 (PCT/WO US0030389)  
Priority Application: US 99431389 19991101; US 2000580276 20000525

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CR CU CZ

DE DK DM DZ EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ  
LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD SE SG  
SI SK SL TJ TM TR TT TZ UA UG UZ VN YU ZA ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR

(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 13610

Fulltext Availability:

Detailed Description

Detailed Description

... to better achieve his long term financial goals.

The LifePath interactive financial model may capture **customer** 's intentions at the start of the relationship and displays them as lifetime cash flow requirements. **Customer** data and LifePath information combine to form a deep understanding of the **customer** 's financial needs at each stage of life. Using dynamic, interactive multimedia, it quickly captures the **customer** 's

1 5

intentions and expectations about an ideal future. This flushes out some issues which trigger the initial discussions in the relationship. It also supports **estimating** the **lifetime value** of the **customer** and the appropriate levels of service. The data from this model combines with insight from...

...based advice engines. This automated advice leverages the advisor's time so that a broad **customer** based can be profitably supported. Configured using sliders and other interactive controls, there is little...

...models predictable life transitions over time more effectively than data-driven calculators. Sales opportunities, lifetime **customer** value and appropriate fee structure are now more accurately identified.

Coaching generating subsystem 172 comprises...

?

18/3,K/1 (Item 1 from file: 349)  
DIALOG(R) File 349:PCT FULLTEXT  
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00994559

DIGITAL OPTIONS HAVING DEMAND-BASED, ADJUSTABLE RETURNS, AND TRADING  
EXCHANGE THEREFOR

OPTIONS NUMERIQUES A RETOURS AJUSTABLES BASEES SUR LA DEMANDE ET BOURSE  
D'ECHANGES COMMERCIAUX AFFERENTE

Patent Applicant/Assignee:

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US (Nationality)

Inventor(s):

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Legal Representative:

WEISS Charles A (et al) (agent), Kenyon & Kenyon, One Broadway, New York,  
NY 10004, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200323575 A2 20030320 (WO 0323575)

Application: WO 2002US30309 20020909 (PCT/WO US0230309)

Priority Application: US 2001950498 20010910

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU

CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP

KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ OM PH PL PT RO

RU SD SE SG SI SK SL TJ TM TN TR TT TZ UA UG UZ VC VN YU ZA ZM ZW

(EP) AT BE BG CH CY CZ DE DK EE ES FI FR GB GR IE IT LU MC NL PT SE SK TR

(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 122079

Fulltext Availability:

Claims

Claim

... ability to insure against possible earnings or revenue shortfalls one  
quarter or more in the **future** via purchases of DBAR digital options may  
represent an attractive alternative to conventional hedge strategies...

Frequency: Monthly

Announcement Date: 10/1/99

Last Announcement Date: 7/1/99

Last Index **Value** : No events

Consensus **Estimate** : \$1 billion (claims excess of \$5 billion)

Expiration: Announcement Date, 10/1/99

Trading Period...a demand-based market or auction do not depend on the  
credit quality of an **individual** insurance or reinsurance company. A  
demand-based market or auction is by nature selffunding, meaning...claims  
is based. In preferred embodiments, returns are allocated to the  
occurrence of a state **based** on the final distribution of amounts  
invested over all the states at the end of...the loss amount associated  
with a given statistical confidence (e.g., 95%, 99%) for an **individual**  
investment is denoted the capital-at- ...preferred embodiments of the  
present invention, a CAR can be computed not only for an **individual**  
investment but also for a plurality of investments related to for the  
same event or...of contingent claims. These two

0

quantities,  $w$ , and  $w_2$ , are the CAR values for the **individual** groups of  
DBAR contingent claims respectively, corresponding to a statistical  
confidence of 95%. In other...a portfolio of DBAR contingent claims as  
follows. Step (1) of the MCS methodology involves **estimating** the  
statistical distribution for the events underlying the DBAR contingent  
claims using conventional econometric techniques...

18/3,K/2 (Item 2 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
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00873788

**INDIVIDUAL ECONOMIC MONETIZATION FOR PRESENT OFFERINGS, WORTH EVALUATION  
AND REALIZATION, APPARATUS AND METHOD**  
**DISPOSITIF ET PROCEDE POUR LA MONETISATION ECONOMIQUE INDIVIDUELLE  
CONCERNANT DES OFFRES ACTUELLES, L'EVALUATION DE VALEURS ET LA  
REALISATION**

Patent Applicant/Assignee:

ITEMPOWER INC, 1 World Trade Center, Suite 7841, New York, NY 10048, US,  
US (Residence), US (Nationality), (For all designated states except:  
US)

Patent Applicant/Inventor:

KHAN Ghulam Ahmad Raza, 732 Pembroke Way, Ridgefield, NJ 07657-1308, US,  
US (Residence), IN (Nationality), (Designated only for: US)  
GARG Vishal, 77-43 Kew Forest Lane, Forest Hills, NY 11375, US, US  
(Residence), US (Nationality), (Designated only for: US)

Legal Representative:

KASS Lawrence T (agent), Milbank, Tweed, Hadley & McCloy LLP, One Chase  
Manhattan Plaza, New York, NY 10005-1413, US,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200207044 A2 20020124 (WO 0207044)

Application: WO 2001US22123 20010713 (PCT/WO US0122123)

Priority Application: US 2000615609 20000714

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CR CU CZ  
DE DK DM DZ EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ  
LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD SE SG  
SI SK SL TJ TM TR TT TZ UA UG US UZ VN YU ZA ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR

(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 9035

Fulltext Availability:

Detailed Description

Detailed Description

... present value of

the after-tax economic: value of the cumulative total of the individuaPs  
**future income**, or a portion thereof, may be computed using these  
discount rates to create a discounted...

...embodiment, after-tax

discounted IEMs may be determined by a comparable persons  
valuation. Comparable persons **valuation** is **based** on valuing an  
**individual** relative to the valuations given to past commuted and to a  
lesser degree, contemplated, transactions...

...transaction that never became commuted may be used for comparable  
persons valuation. Investors gauge new **individuals** against previous  
transactions with metrics and ratios such as price to earnings ratio,  
average return...

18/3,K/3 (Item 3 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
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00873783

**INSTALLATION AND METHOD FOR TRADING IN INFLATION**

# INSTALLATION ET PROCEDE DE NEGOCIATION EN SITUATION D'INFLATION

Patent Applicant/Inventor:

SNIJDERS Ronald Edward, Gerrit van de Veenstraat 19, NL-1077 DM Amsterdam  
, NL, NL (Residence), NL (Nationality)

FISZBAJN John Robert, Van Lennepweg 40, NL-2597 LK Den Haag, NL, NL  
(Residence), NL (Nationality)

Legal Representative:

JORRITSMA Ruurd et al (agent), Nederlandsch Octrooibureau,  
Scheveningseweg 82, P.O. Box 29720, NL-2502 LS The Hague, NL,

Patent and Priority Information (Country, Number, Date):

Patent: WO 200207033 A2 20020124 (WO 0207033)

Application: WO 2000NL499 20000717 (PCT/WO NL0000499)

Priority Application: WO 2000NL499 20000717

Designated States: AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CR CU CZ

DE DK DM DZ EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ

LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD SE SG

SI SK SL TJ TM TR TT TZ UA UG US UZ VN YU ZA ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE

(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: Dutch

Fulltext Word Count: 16448

Fulltext Availability:

Claims

Claim

... for an IEC.

The theoretical purchase price

The theoretical purchase price is made up of the **estimated cash value**  
of the cumulative 0 rise due to inflation per unit time (for example per  
year...z

j., (1+intj)'

(for a worked calculation example see below under Internet (the private  
**individual**)). Via these formulae it is possible, making use of the  
correct probability calculations for the...substantial equity capital;  
smaller companies and legal entities with low equity capital and all  
private **individuals**. Of course, other profiles are also conceivable.  
What is important, however, is that the 0...bank and exchange.

TRADING B Y PRIVA TE TNDIVID UALS

Trading in inflation for private **individuals** has the major advantage  
that private **individuals** will become aware - just like the oil company  
in the abovementioned example that they are...

...cash, by means of underwriting - concluding - an inflation exchange  
contract via the Internet. A private **individual** can access the IEF  
server (Figure 6) via the Internet and read information on trading in  
inflation.

The private **individual** as the purchaser of IECs

3 0 As a purchaser all the private **individual** has to do is to keep the  
purchase price he/she is to spend on deposit with the EEF or a banking  
institution affiliated with the IEF.

The private **individual** as a seller of IECs

If the private **individual** decides to participate as the seller of an  
IEC and therefore decides that he/she fixed ( **future** ) **income** ;  
owning one's own house or other property;  
possessing own capital (deposit account, share portfolio...

...of openness in respect of financial affairs must be provided as in  
situations where private **individuals** ask a bank for a loan or wish to  
participate in options or futures trading). After the above information  
has been provided, the private **individual** will be informed 1 5 by the  
EEF whether or not he/she can participate...

...certain conditions being applied, in trading in inflation. If this is the case the private **individual** is given an access code and a limit.  
 ,4n example  
 Someone  
 earns 80,000 per...

...has never been declared bankrupt, etc. The IEF issues an access code and the private **individual** signs a document assigning his future salary rises up to the percentage of inflation per...

...salary for inflation every year. The securities are therefore more than adequate and the private **individual** can, for example, purchase a new car without having borrowed money. From the tax standpoint...

...be paid equal to the inflation on 40,000 can be paid by the private **individual**. Should there be years in-between where inflation is extremely high, the amounts to be paid annually by the private **individual** could rise sharply. These should be offset by a substantial rise in salary as well, but this does not affect the issue that the private **individual** could then experience problems in meeting his annual obligation resulting from the IEC.  
 It is...

18/3,K/4 (Item 4 from file: 349)  
 DIALOG(R) File 349:PCT FULLTEXT  
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00806392

TECHNOLOGY SHARING DURING ASSET MANAGEMENT AND ASSET TRACKING IN A  
 NETWORK-BASED SUPPLY CHAIN ENVIRONMENT AND METHOD THEREOF  
 PARTAGE TECHNOLOGIQUE LORS DE LA GESTION ET DU SUIVI DU PARC INFORMATIQUE  
 DANS UN ENVIRONNEMENT DU TYPE CHAINE D'APPROVISIONNEMENT RESEAUTE, ET  
 PROCEDE ASSOCIE

Patent Applicant/Assignee:

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Patent and Priority Information (Country, Number, Date):

Patent: WO 200139086 A2 20010531 (WO 0139086)

Application: WO 2000US32310 20001122 (PCT/WO US0032310)

Priority Application: US 99444653 19991122; US 99447623 19991122

Designated States: AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CR CU CZ DE

DK DM DZ EE ES FI GB GE GH GM HR HU ID IL IS JP KE KG KP KR KZ LC LK LR

LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ PL PT RO RU SD SE SG SI SK SL

TJ TM TR TT TZ UA UG UZ VN YU ZW

(EP) AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE TR

(OA) BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG

(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English

Filing Language: English

Fulltext Word Count: 156214

Fulltext Availability:

Detailed Description

Detailed Description

... one another in operation 806 and this comparison is used in operation  
 808 to plan **future** supply and demand for the manufacturer offerings.



In an embodiment of the present invention, collaborative...via the Internet in order to conduct electronic commerce-related business. Typical database or file- **based** shopping cart systems require that the user be uniquely identified in order to associate particular...

18/3,K/5 (Item 5 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
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00280318 \*\*Image available\*\*

**METHODS AND APPARATUS RELATING TO THE FORMULATION AND TRADING OF RISK MANAGEMENT CONTRACTS**

**PROCEDE ET APPAREIL DESTINES A L'ETABLISSEMENT ET A LA NEGOCIATION DES CONTRATS DE GESTION DE RISQUES**

Patent Applicant/Assignee:

SHEPHERD Ian Kenneth,

Inventor(s):

SHEPHERD Ian Kenneth,

Patent and Priority Information (Country, Number, Date):

Patent: WO 9428496 A1 19941208

Application: WO 93AU250 19930528 (PCT/WO AU9300250)

Priority Application: WO 93AU250 19930528

Designated States: AT AU BB BG BR CA CH CZ DE DK ES FI GB HU JP KP KR KZ LK  
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GB GR IE IT LU MC NL PT SE BF BJ CF CG CI CM GA GN ML MR NE SN TD TG

Publication Language: English

Fulltext Word Count: 41169

Fulltext Availability:

Claims

Claim

... with a

contract (net of the ordering party's consideration, and making allowance for the **future income** stream this consideration is expected to generate).

The above-described set of base consideration/entitlement...and between CONTRACT APP stakeholders and

VIRPRO-authorized entities external to each applicable CONTRACT APP, **based** on above-described **valuations** of consideration and entitlement obligations associated with CONTRACT APP transactions; a function which determines and...with which they wish to establish a "consideration bid" on a defined product order; possible **individual** contract and product

constraints they require to be satisfied if they were to become a...

...the

determined-value of the "defined circumstances" indicator (based on a specific product order).

Possible **individual** contract and product constraints the potential counterparty requires to be satisfied if they were to...

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File 474:New York Times Abs 1969-2004/Jan 08  
(c) 2004 The New York Times  
File 475:Wall Street Journal Abs 1973-2004/Jan 08  
(c) 2004 The New York Times

?ds

Set	Items	Description
S1	69	(CUSTOMER OR CUSTOMERS OR INDIVIDUAL OR INDIVIDUALS) () (ACQ- UISATION? OR RETENTION?) (5N) (COST OR COSTS)
S2	10	INVEST? (5N) (CUSTOMER OR INDIVIDUAL OR INDIVIDUALS) () (RETEN- TION? OR ACQUISITION? OR DEFECTION?)
S3	33252	(VALUE OR VALUAT? OR WORTH?) (3N) (ESTIMAT? OR FORECAST? OR - MEASUR? OR BASED)
S4	71	(PROFIT() MARGIN?) (3N) (ESTIMAT? OR FORECAST? OR MEASUR?)
S5	57	LIFETIME() (VALUE OR VALUES OR VALUAT?) (3N) (ESTIMAT? OR FOR- ECAST? OR MEASUR?)
S6	5	(LONG() TERM() PROFIT?) (3N) (ESTIMAT? OR FORECAST? OR MEASUR?)
S7	3599	(FUTURE OR PROJECTED OR PROJECTIONS) (3N) (PROFIT OR PROFITS OR INCOME OR REVENUE?)
S8	3008	AU=(CHENG, C? OR CHENG C ? OR LEE, S ? OR LEE S?)
S9	41	S1 NOT PY>2000
S10	39	RD (unique items)
S11	7	S2 NOT S1
S12	7	RD (unique items)
S13	589078	CUSTOMER OR CUSTOMERS OR INDIVIDUAL OR INDIVIDUALS
S14	259	S13(5N)S3
S15	2	S14(S) (S4 OR S7)
S16	2	S15 NOT (S1 OR S2)
S17	2	RD (unique items)
S18	7	S13(S) (S5 OR S6)
S19	6	S18 NOT (S1 OR S2 OR S17)
S20	5	RD (unique items)
S21	0	S8(S) (S1:S5)

\*10/5/1 (Item 1 from file: 256)  
DIALOG(R) File 256:SoftBase:Reviews,Companies&Prods.  
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00126975 DOCUMENT TYPE: Review

PRODUCT NAMES: Company--eBay Inc (867594)

TITLE: eBay: TV or Not TV: After five years of building a brand without...  
AUTHOR: Couzin, Jennifer  
SOURCE: Industry Standard, v3 n42 p121(1) Oct 16, 2000  
ISSN: 1098-9196  
HOMEPAGE: <http://www.thestandard.com>

RECORD TYPE: Review  
REVIEW TYPE: Company

eBay, which has been building its brand for five years without any TV advertising, recently began a TV ad campaign, joining other dot-coms that have done so, including Amazon, eToys, Fogdog, Pets.com, and Priceline. eBay has relied on word of mouth marketing to accumulate its 16 million users and has also done some portal deals with America Online and Disney's Go.com. However, eBay started a joint ad campaign with Visa that was shown during the 'Survivor' TV show and the Olympics, and was paid for by Visa. eBay will also run its own ads early in 2001, but no details are currently available. eBay's new TV strategy is highly original, since the company has obtained 'millions of dollars in free advertising.' In addition to the Via campaign, eBay also finalized agreements with some cable networks for tie-ins and promotions during highly watched moments in their shows. One was during the season launch of the History Channel's 'History's Lost and Found' show, when two deck chairs were retrieved from the Titanic. The ad spot told viewers that they could obtain one of the chairs on eBay, then the price rose past \$180,000. eBay wants to ensure that its low **customer acquisition cost**, which is about \$13, stays down, and will try out TV ads by playing them in selected markets before going national.

COMPANY NAME: eBay Inc (658545)  
SPECIAL FEATURE: Tables  
DESCRIPTORS: Advertising; Auctions; E-Commerce; Internet Marketing;  
Television  
REVISION DATE: 20020703

10/5/2 (Item 2 from file: 256)  
DIALOG(R) File 256:SoftBase:Reviews,Companies&Prods.  
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00126929 DOCUMENT TYPE: Review

PRODUCT NAMES: Retailers (830308); E-Commerce (836109)

TITLE: How bricks tout clicks: Retail chains leverage existing ad muscle  
AUTHOR: Liebeskind, Ken  
SOURCE: eCOMMERCE BUSINESS, v1 n11 p46(4) Sep 11, 2000  
ISSN: 1529-0077  
HOMEPAGE: <http://www.ecommercebusinessdaily.com>

RECORD TYPE: Review  
REVIEW TYPE: Product Analysis  
GRADE: Product Analysis, No Rating

A discussion of clicks-and-bricks retailing chains' newly stepped-up marketing of their e-commerce sites emphasizes that the clicks-and-bricks chains hope to 'capture a majority of online sales for the first time this year.' The primary ad vehicle for most chains is a Sunday newspaper insert

that mentions a Web address and an advertising executive explains that this is a good approach because it melds the Web site with the rest of the chain's sales venues. The brand becomes a multichannel advantage, with the Internet being only one place to shop, in addition to physical outlets and catalogs. Retail chains do not spend much to advertise their Web sites, which reduces the **cost of customer acquisition** (from the pure-play's average expense of \$82) to \$31. Although the difference is less in 2000 because pure-plays have cut back expensive TV advertising and spend more on online ads, clicks-and-bricks players still pay less. In-store campaigns also support retail chains' Web sites, and J. C. Penney is a good example. The retailer has the most visited Web site of any retail chain and puts its online address on just about every thing related to sales, including store invoices, TV ads, and direct mail. VP of marketing Melanie Angermann says Penny takes a 'three-tailer' approach that supports stores, catalogs, and a Web site.

COMPANY NAME: Vendor Independent (999999)  
SPECIAL FEATURE: Graphs Tables  
DESCRIPTORS: Business Models; E-Commerce; Retailers  
REVISION DATE: 20010228

10/5/3 (Item 3 from file: 256)  
DIALOG(R) File 256:SoftBase:Reviews,Companies&Prods.  
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00126611 DOCUMENT TYPE: Review

PRODUCT NAMES: ARIA (674672); Accrue Insight 5 (646652)

TITLE: Up Close And Personal: Understanding Your Customers' Online Buying...

AUTHOR: Nachtwey, Don  
SOURCE: Intelligent Enterprise, v3 n15 p66(5) Sep 29, 2000  
ISSN: 1524-3621  
HOMEPAGE: <http://www.intelligententerprise.com>

RECORD TYPE: Review  
REVIEW TYPE: Product Analysis  
GRADE: Product Analysis, No Rating

A discussion of Web analytics describes Macromedia's ARIA, Net Perceptions' software, and Accrue Software's Accrue Insight 5, tools that allow e-commerce companies to understand customers' online buying habits. The tools fill a 'business critical' need. The Internet has the potential to help balance sellers' motives with consumers' motives, because consumers can express their demands directly to sellers. For its part, the seller can communicate pricing and availability directly to consumers. The result is that benefit to consumers can be quantified in terms of savings in time and money, while sellers can quantify their own advantage in terms of reduced inventory and sales-related costs. Implied communication is information provided by a consumer to a merchant through call centers, banner ads, and clickstream, and each search and click can contribute to a useful digital profile that is stored in a company database. Network Perceptions, Macromedia, and Accrue Software's tools capture and interpret customer clickstream behavior to provide merchants tools for profit maximization and visitor experience personalization. Net Perceptions emphasizes customer lifetime value and provides customer analysis features and the ability to include products and promotions. ARIA is a Web measurement and analysis product, while Insight maximizes return on investment for Web-based initiatives by reducing **customer acquisition costs**, showing relevant content, homing in on profitable affiliate channels, and enhancing conversion rates.

COMPANY NAME: Macromedia Inc (423106); Accrue Software Inc (626171)

SPECIAL FEATURE: Screen Layouts Charts  
DESCRIPTORS: E-Commerce; Internet Traffic Analysis; Market Research;  
Marketing Information; Sales Analysis  
REVISION DATE: 20010130

10/5/4 (Item 4 from file: 256)  
DIALOG(R) File 256:SoftBase:Reviews,Companies&Prods.  
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00126598 DOCUMENT TYPE: Review

PRODUCT NAMES: Digital Signatures (842699)

TITLE: Digital Signatures Seal Web Deals  
AUTHOR: Watson, James K, Jr Choksy, Carol  
SOURCE: Information Week, v804 pRB26(2) Sep 18, 2000  
ISSN: 8750-6874  
HOMEPAGE: <http://www.informationweek.com>

RECORD TYPE: Review  
REVIEW TYPE: Product Analysis  
GRADE: Product Analysis, No Rating

A discussion of digital signatures and their ability to speed commerce looks at markets where digital signatures will work (banking and financial services, government, health care, insurance, manufacturing, pharmaceutical, and services), and the roadblocks to and advantages of digital signatures. The passage of the Electronic Signatures in Global and National Commerce Act (E-Sign) gives electronic signatures legal status identical to that of handwritten signatures. The legislation will result in lowered **cost** of **customer acquisition** and will also reduce the **cost** of transaction processes, including procurement. Although much commerce is done online, many transactions still require handwritten (ink) signatures on contracts and other legal documents, which still have to be sent back and forth to finalize a deal. Financial services will see the most impact from digital signatures, since the many documents and transactions related to mortgages, insurance policies, service contracts, and business-to-business (B2B) transactions, can all be consummated more quickly online with e-signatures. Among topics briefly covered are digital signature technologies currently available, including those from ApproveIt, Cyber-Sign, PenOp, and others, simplified supply chain relationships, and differences between pre-existing state e-sign laws and the federal E-Sign Act.

COMPANY NAME: Vendor Independent (999999)  
SPECIAL FEATURE: Tables  
DESCRIPTORS: Contracts; Digital Signatures; E-Commerce; Encryption;  
Government Regulations  
REVISION DATE: 20010130

10/5/5 (Item 5 from file: 256)  
DIALOG(R) File 256:SoftBase:Reviews,Companies&Prods.  
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00125635 DOCUMENT TYPE: Review

PRODUCT NAMES: Autobytel.com (677761); Cars.com (744719); CarsDirect.com (774375)

TITLE: Stalled On The Digital Highway  
AUTHOR: Young, Eric  
SOURCE: Industry Standard, v3 n35 p90(2) Sep 11, 2000  
ISSN: 1098-9196

•  
HOMEPAGE: <http://www.thestandard.com>

RECORD TYPE: Review  
REVIEW TYPE: Product Analysis  
GRADE: Product Analysis, No Rating

Online car-sales sites are many, but none is successful, and all are searching for a formula that means profitability. The Internet, which allows the car sites to post huge amounts of information on new and old cars, also shields buyers from the car lot so they can make well-thought-out, informed decisions about purchases without the influence of a car salesperson on commission. However, the vehicle trade is highly complex, a factor that thwarts success, and the formation of a new auto consortium site by the Big Three automakers is another stumbling block. For instance, CarsDirect, which sells vehicles directly to consumers, can make hundreds of dollars on each sale, based on the vehicle. On car sites, providing referrals resulting in sales makes the most money, but a simple referral generates about \$20. Volume is low and **customer acquisition costs** are high, while items are purchased infrequently. Carsdirect.com has found it difficult to deploy or use standard information and computer systems among dealers, and the lack of integration makes matching customers' requests with inventory at a dealer's lot more difficult. In addition, many buyers want to see the car before paying tens of thousands of dollars, and are not satisfied with high quality photos. Features and revenue models of six leading car sales sites (Autobyte.com, Carclub.com, Carpoint, Cars.com, Edmunds.com, and Kbb.com) are listed.

COMPANY NAME: Autobyte Inc (637785); cars.com (661066); CarsDirect.com (669431)  
SPECIAL FEATURE: Tables  
DESCRIPTORS: Auto Dealers; Internet Marketing; Internet Shopping; Retailers  
REVISION DATE: 20011030

10/5/6 (Item 6 from file: 256)  
DIALOG(R)File 256:SoftBase:Reviews,Companies&Prods.  
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00125200 DOCUMENT TYPE: Review

PRODUCT NAMES: Free Forum (012921); B2B FreeNet (012939); Ad-Venture (012955); XactMail (012947)

TITLE: Revenge of the Original Spammers  
AUTHOR: Hodges, Jane  
SOURCE: Business 2.0, p100(3) Aug 22, 2000  
ISSN: 1080-2681  
HOMEPAGE: <http://www.business2.com>

RECORD TYPE: Review  
REVIEW TYPE: Product Analysis  
GRADE: Product Analysis, No Rating

FreeForum, B2B FreeNet, XactMail, and Ad-Venture are services from VentureDirect Worldwide, a direct-mail house of 17 years that has transmuted itself to become an 'Internet marketing marvel.' XactMail is a 5-million (or more) entry, opt-in name database, and Ad-Venture is an ad network of 2,600 Web sites. Free Forum Network is a free-offer site, and B2BFreeNet is a B2B direct-mail targeting Web site. Richard Baumer, CEO of VentureDirect Worldwide, says direct marketers could become important to the success of any e-commerce companies that launched with market-saturating, flashy consumer ad campaigns. Baumer sees his company as well-positioned to profit from the next outpouring of dot-com ad spending. Other direct mail players include E-Target.com, NetCreations, and

Permission Direct.com. The direct marketers are attractive to Internet pure- plays because they save money. Direct mail is very cheap when compared with other marketing campaigns. Offline, a card in a coupon pack costs only 4 cents, and catalogs cost about a dollar. E-mail direct mail programs cost about the same. In addition, if response to a program is not good, the program can easily be revamped for a different audience, an ability not easily possible with TV and print. Free Forum assists companies in making free offers to consumer who register and answer six questions. User FreeRide chose services from VentureDirect to build its user base and will stay with the direct mailer as long as **costs per customer acquisition** remain low.

COMPANY NAME: VentureDirect Worldwide (686743)  
SPECIAL FEATURE: Charts Buyers Guides  
DESCRIPTORS: Advertising; Direct Marketing; Internet Marketing; Permission Marketing  
REVISION DATE: 20010430

10/5/7 (Item 7 from file: 256)  
DIALOG(R) File 256:SoftBase:Reviews,Companies&Prods.  
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00125130 DOCUMENT TYPE: Review

PRODUCT NAMES: E-Commerce (836109); Business Planning (839256)

TITLE: When E-Businesses Miss the Mark  
AUTHOR: Monroy, Tom  
SOURCE: Interactive Week, v7 n18 p124(1) May 8, 2000  
ISSN: 1078-7259  
HOMEPAGE: <http://www.interactive-week.com>

RECORD TYPE: Review  
REVIEW TYPE: Product Analysis  
GRADE: Product Analysis, No Rating

Several experts discuss how erroneous business assumptions can get online businesses into hot water. Although strategic marketing plans are forward-looking documents based on assumptions, if the assumptions are false and some important factor is left out or calculated incorrectly, the results can be disastrous. One problem that arises is underestimation of the **cost of customer acquisition**. Many business plans have also overestimated the e-commerce market's potential. For instance, Forrester Research forecasts a 433 percent increase in e-commerce sales for the tools and gardening category. However, that category includes all tools, not simply gardening tools. Even though Forrester is redefining the category, the 433 percent number is often quoted just for the gardening market. Wall Street analyst are also starting to hold back funds from e-companies with high sales and marketing costs and are looking for profits or enhanced gross margins. However, these results are not easy to achieve in e-commerce. Among representative portal acquisition costs is the deal between Drkoop.com and America Online, which had a price tag of \$89 million; the deal between Amazon.com and Living.com at \$145 million; and World Best Buy at \$42 million (in 2000/2001 on **customer acquisition** promotional fees). However, to keep **costs** down from year to year, more short-term portal deals are being made. Most of the requirements of bricks-and- mortar businesses still exist in the online world, but the supply chain can be shortened, delivery may be faster, and inventory can move faster.

COMPANY NAME: Vendor Independent (999999)  
DESCRIPTORS: Business Models; Business Planning; E-Commerce; Internet Marketing; Venture Capital  
REVISION DATE: 20010930

10/5/8 (Item 8 from file: 256)  
DIALOG(R)File 256:SoftBase:Reviews,Companies&Prods.  
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00123451 DOCUMENT TYPE: Review

PRODUCT NAMES: Magazine Publishers (830277)

TITLE: The New Paper Chase: Online Publishers Are Eyeing A New Source...  
AUTHOR: Ledbetter, James  
SOURCE: Industry Standard, v3 n14 p117(1) Apr 17, 2000  
ISSN: 1098-9196  
HOMEPAGE: <http://www.thestandard.com>

RECORD TYPE: Review  
REVIEW TYPE: Product Analysis  
GRADE: Product Analysis, No Rating

Online publishers such as Nerve.com, TheStreet.com, E-Trade, and Powerful Media (the publisher backing the almost finished Inside.com site), are all either publishing or considering publishing 'old- fashioned print magazines.' Yahoo! and eBay also have had magazine affiliates for a while; 'Yahoo! Internet Life,' is produced by Ziff-Davis and has paid circulation close to 750,000. Expedia.com will publish a bimonthly magazine with Ziff-Davis as well. Earlier print-magazine endeavors represent the efforts of Internet firms that want to made their brands more powerful offline, and magazines provided have different content than their Web sites. Newer hands-on Web publishers have comparatively small sites and their magazines are likely to include much of the same content found on their Web sites. Because visitors to a Web site are more likely to purchase a magazine subscription, the site becomes an economical advertising and promotion venue. The largest expense in producing a magazine is the high **cost** of **customer acquisition**, according to Rufus Griscom, CEO of Nerve.com. A poll of the site's 800,000 separate visitors indicates 65 percent would pay for a print version. Another advantage of print is the fact that people who will not pay for online content will usually pay for print magazines.

COMPANY NAME: Vendor Independent (999999)  
DESCRIPTORS: Electronic Publishing; Magazine Publishers; Publishing  
REVISION DATE: 20000730

10/5/9 (Item 9 from file: 256)  
DIALOG(R)File 256:SoftBase:Reviews,Companies&Prods.  
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00123349 DOCUMENT TYPE: Review

PRODUCT NAMES: Company--EDS (852708)

TITLE: EDS Invests in Wireless Banking Services for the Mobile Set  
AUTHOR: Shewmake, Brad  
SOURCE: InfoWorld, v22 n17 p24(1) Apr 24, 2000  
ISSN: 0199-6649  
HOMEPAGE: <http://www.infoworld.com>

RECORD TYPE: Review  
REVIEW TYPE: Company

EDS recently announced availability of nationwide wireless banking for mobile devices. EDS believes that the future of financial transactions is in the digital wallet market, and will therefore allow customers to use Palm VII personal digital assistants (PDAs) via Palm.net service or



microbrowser-based mobile phones through phone.com to access bank accounts. With Wireless Banking Solutions, bank customers can conduct many types of transactions, including money transfers, account transfers, and bill payment. Customers can also establish open-pay e-lists that automatically deduct money from an account to pay regular bills. An analyst notes that although wireless banking has its pluses, wireless devices are not nearly as popular in the U.S. as in Europe and Japan. The wireless service permits expansion of Web applications to wireless devices in such a way that data being transacted is encrypted. Wireless technology cannot use cookies, but does use a token-based system that requires that the same token be sent and received during each part of the transaction process. Reduced **customer acquisition costs** are key to the successful expansion of the wireless banking market.

COMPANY NAME: EDS (444901)  
DESCRIPTORS: E-Banking; Mobile Computing; Software Marketing; Wireless Internet  
REVISION DATE: 20030330

10/5/10 (Item 10 from file: 256)  
DIALOG(R) File 256:SoftBase:Reviews,Companies&Prods.  
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00122094 DOCUMENT TYPE: Review

PRODUCT NAMES: Mercata.com (789151); MobShop.com (789178)

TITLE: Let's Make a Deal: Group-buying services may be great for consumer...

AUTHOR: Oreskovic, Alexi  
SOURCE: Industry Standard, v3 n7 p187(2) Feb 28, 2000  
ISSN: 1098-9196  
HOMEPAGE: <http://www.thestandard.com>

RECORD TYPE: Review  
REVIEW TYPE: Product Analysis  
GRADE: Product Analysis, No Rating

Such group-buyer services as Mercata.com and Accompany.com now MobShop.com merge the fun of online auctions with the effectiveness of word-of-mouth marketing and stickiness. Following suit, Zwirl.com and ActBig also announced group-buying services. LetsBuyIt.com, a European group buying company, will enter the U.S. market in 2000. Consumers love group buying, and merchants have mixed feelings but are, nevertheless, in relatively high numbers partnering with group buying services. The attraction for merchants is low **customer acquisition cost** and the large volume of group buys. Mercata, the most popular site, has deals with about 300 manufacturers. When Mercata purchases a product wholesale, a price range is set within which the group can 'maneuver.' Accompany negotiates group prices with suppliers in advance and has only 32 partners/suppliers. According to its CEO, one drawback may be wholesalers' fear of channel conflict. Many online retailers are not set up for group buying and have not installed software that can accommodate fast changes in pricing and inventory. However, Mercata's traffic increased from 87,000 unique visitors in July 1999 to 996,000 in December, and Mercata's CEO says some individual items have roused the interest of over 1,000 buyers. In return for providing Accompany with placement on its site, About.com receives 50 percent of the group-buying revenue generated in addition to a flat fee.

COMPANY NAME: Mercata Inc (674559); MobShop Inc (674273)  
DESCRIPTORS: Auctions; E-Commerce; Internet Shopping  
REVISION DATE: 20010130

10/5/11 (Item 11 from file: 256)  
DIALOG(R) File 256:SoftBase:Reviews,Companies&Prods.  
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00121478 DOCUMENT TYPE: Review

**PRODUCT NAMES:** Retailers (830308); Internet Shopping (840432)

**TITLE:** Bricks for Branding: Want to stretch your Web marketing dollars..

**AUTHOR:** Hodges, Jane

**SOURCE:** Business 2.0, p95(3) Feb 2000

**ISSN:** 1080-2681

**HOME PAGE:** <http://www.business2.com>

**RECORD TYPE:** Review

**REVIEW TYPE:** Product Analysis

**GRADE:** Product Analysis, No Rating

Marla Malcolm of high-end online cosmetic retailer Bluemercury.com says brick-and-mortar stores are valuable 'customer laboratories' that spawn new ideas for Web marketing. Gazoontite.com and BMBid also built or bought elegant physical outlets, and executives from all three companies say the stores assist in marketing an online brand, but the emphasis is not on brick-and-mortar sales. Gazoontite, a seller of hypo-allergenic home products and gifts, opened a brick-and-mortar store the same day that its Web site was launched and has since added another store, with up to seven brick-and-mortar stores planned by the end of 2000. The founder and president of Gazoontite says he rates his stores' performance based on how well they drive traffic to the Web and how effective they are at lowering **customer - acquisition costs**. GMBid.com, a high-end auctioneer, has a 10,000-square-foot Beverly Hills showroom that opened concurrently with a Web site launch. Traffic to the store comes from tourists who want to see the elegant and valuable goods that are up for auction online. Other sites with clicks-and-mortar arrangements are described, including C-Tribe, a group-buying site; Daily Shopper, a local shopping site; Shoppinglist.com, which facilitates bargain hunting in major cities; and CVS and Petopia.

**COMPANY NAME:** Vendor Independent (999999)

**SPECIAL FEATURE:** Charts

**DESCRIPTORS:** Internet Shopping; Retailers

**REVISION DATE:** 20000330

10/5/12 (Item 12 from file: 256)  
DIALOG(R) File 256:SoftBase:Reviews,Companies&Prods.  
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00120717 DOCUMENT TYPE: Review

**PRODUCT NAMES:** Retailers (830308); Internet Marketing (835552)

**TITLE:** How Low Can They Go?: Online retailers are pushing down prices to...

**AUTHOR:** Williamson, Debra Aho

**SOURCE:** Industry Standard, v2 n36 p224(3) Nov 22, 1999

**ISSN:** 1098-9196

**HOME PAGE:** <http://www.thestandard.com>

**RECORD TYPE:** Review

**REVIEW TYPE:** Product Analysis

**GRADE:** Product Analysis, No Rating

Competing online retailers continue to lower prices and offer promotions and discounts during the holiday shopping spree, but history shows that increased revenues generated by deep discounts do not balance losses. For

instance, some companies are spending up to 80 percent of their new venture capital funding on marketing, while providing deep discounts that could mean a big gap between **costs** and profits on January 1. **Customer acquisition costs** continue to rise, according to Shop.org, which says pure online retailers spend up to \$42 to acquire one new customer. Companies with both bricks/mortar and online locations spend \$22. However, costs at some sites have risen above \$42. An example is More.com, a beauty and health retailer, which is spending more than \$100 per customer. An analyst explains the tactic by saying that sites will take a loss to acquire customers, but should measure the effectiveness of promotions in terms of customer acquisition and sales, and how profitable the customer will be over a longer time, without promotions. An example of an ineffective analysis of cost/benefit ratios is the policy of Outpost.com, which started out with a loss and by offering free shipping. Because the company never researched whether or not consumers would shop elsewhere if shipping was not free, Outpost.com cannot quantify how effective the promotion has been. PlanetRx's promotions continue apace and had a negative gross margin for the first half of the year as a result of promotional sales discounts. The story is similar for PetsMart.com and Pets.com.

COMPANY NAME: Vendor Independent (999999)  
DESCRIPTORS: Internet Marketing; Pricing; Retailers  
REVISION DATE: 20010130

10/5/13 (Item 13 from file: 256)  
DIALOG(R) File 256:SoftBase:Reviews,Companies&Prods.  
(c)2004 Info.Sources Inc. All rts. reserv.

00118627 DOCUMENT TYPE: Review

PRODUCT NAMES: SalesLogix 3.1 (007056)

TITLE: SalesLogix offers scalable CRM  
AUTHOR: Apicella, Mario  
SOURCE: InfoWorld, v21 n33 p59(2) Aug 16, 1999  
ISSN: 0199-6649  
HOMEPAGE: <http://www.infoworld.com>

RECORD TYPE: Review  
REVIEW TYPE: Review  
GRADE: B

SalesLogix's SalesLogix 3.1, a customer relationship management (CRM) package, gets very good marks overall, especially for scalable, multitier, multilocation architecture; robust customization tools; and vendor-provided integration with Great Plains financial applications. However, marketing campaigns are not supported. SalesLogix 3.1's complete suite of Windows-based products manage customer relationships for midrange companies in a client/server environment or over the Internet. SalesLogix has outstanding module-based design, customization tools, and scalability. SalesLogix's built-in synchronization schema makes its target market the organization with multiple, independently managed branches. Lead generation abilities allow users to choose only components needed, so that initial out of pocket and implementation **costs** are reduced. Since holding **customer retention** is less expensive than replacing customers with new ones, companies can profit from better serving current customers, and SalesLogix 3.1 helps users do so. Users can create islands of distributed databases that synchronize automatically with a central company repository for more effective allocation of information where it used the most often. With specialized suites, users can also easily personalize SalesLogix to manage customers' interactions on the Internet and a local network. They can also create an interface or use provided integration with financial packages from Great Plains.

COMPANY NAME: Interact Commerce Corp (523836)  
SPECIAL FEATURE: Charts Screen Layouts  
DESCRIPTORS: CRM; IBM PC & Compatibles; Intranets; Marketing Information;  
Sales Analysis; Sales Force Automation; Windows  
REVISION DATE: 20010930

10/5/14 (Item 14 from file: 256)  
DIALOG(R)File 256:SoftBase:Reviews,Companies&Prods.  
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00108944 DOCUMENT TYPE: Review

PRODUCT NAMES: ARIA (674672); Accrue Insight (646652)

TITLE: Custom Ad Tracking Winning Out Over Site Analysis Tools  
AUTHOR: Wang, Nelson  
SOURCE: Internet World, v4 n23 p17(2) Jun 29, 1998  
ISSN: 1097-8291  
HOMEPAGE: <http://www.iw.com>

RECORD TYPE: Review  
REVIEW TYPE: Product Analysis  
GRADE: Product Analysis, No Rating

Online advertising is growing rapidly, but advertisers wish to know more precisely what they are getting for their ad money. i33 Communications' AdMaximize service integrates i33's tracking software with the customer's back-end host, and can report on clickthroughs, member acquisitions, sales, and other metrics. Equipped with this data, i33 will then experiment with running different banners in different parts of a site in order to optimize the metrics. One i33 customer, Biztravel.com, an online travel retailer, increased its clickthrough rate by 50 percent, and decreased its **customer acquisition costs** by between 35 and 75 percent due to i33's work. Some high-end analysis tools, such as Andromedia's Aria and Accrue's Accrue Insight, permit ad tracking on a broader level and can tie banner ads in to a user's interactions with the site. However, customization is required to link ads to specific purchases. Because ads are in different formats, and individual ad campaigns have different objectives, it would be difficult to present a shrink-wrapped solution to ad tracking; more often, a customized solution is required.

COMPANY NAME: Macromedia Inc (423106); Accrue Software Inc (626171)  
SPECIAL FEATURE: Screen Layouts  
DESCRIPTORS: Advertising; Internet Marketing; Internet Traffic Analysis;  
Market Research; Retailers; Webmasters  
REVISION DATE: 20010330

10/5/15 (Item 1 from file: 2)  
DIALOG(R)File 2:INSPEC  
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6737156

Title: Retail renaissance [Internet effects]  
Author(s): Rosenbaum, G.  
Author Affiliation: Leo J. Shapiro & Associates, Chicago, IL, USA  
Journal: Chain Store Age vol.76, no.9 p.82-6  
Publisher: Lebhar-Friedman,  
Publication Date: Sept. 2000 Country of Publication: USA  
CODEN: CSAGAW ISSN: 1087-0601  
SICI: 1087-0601(200009)76:9L.82:RRIE;1-H  
Material Identity Number: D448-2000-010  
Language: English Document Type: Journal Paper (JP)  
Treatment: Practical (P)

Abstract: Veteran retailers, stunned by investment in e-commerce, continue to wonder about the future of shopping malls and the growth of their own stores. E-commerce merchants, stunned by the high **cost** of **customer acquisition** and retention, and disturbed by the collapse of their stocks, have begun to wonder about the viability of e-commerce. Close examination of retail shopping finds that nearly every retail store sells goods for which consumers enjoy shopping as well as goods whose purchase is tedious. Both retailers and on-line merchants are now beginning to see opportunity for a retail renaissance in which stores will thrive, as shopping at stores becomes more enjoyable and less tedious. (0 Refs)

Subfile: D

Descriptors: electronic commerce; retailing

Identifiers: retail; e-commerce; shopping malls

Class Codes: D2140 (Marketing, retailing and distribution)

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10/5/16 (Item 2 from file: 2)

DIALOG(R)File 2:INSPEC

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6440619 INSPEC Abstract Number: B2000-01-8110B-090, C2000-01-7165-022

**Title: Information technology. Its increased importance in the power industry after deregulation**

Author(s): Oppel, L.J.; Aronson, D.

Author Affiliation: Power Technol. Inc., Schenectady, NY, USA

Conference Title: 1999 IEEE Power Engineering Society Summer Meeting. Conference Proceedings (Cat. No. 99CH36364) Part vol.2 p.1196-9 vol.2

Publisher: IEEE, Piscataway, NJ, USA

Publication Date: 1999 Country of Publication: USA 2 vol. (xxiv+1373)

pp.

ISBN: 0 7803 5569 5 Material Identity Number: XX-1999-02116

U.S. Copyright Clearance Center Code: 0 7803 5569 5/99/\$10.00

Conference Title: 1999 IEEE Power Engineering Society Summer Meeting

Conference Sponsor: IEEE

Conference Date: 18-22 July 1999 Conference Location: Edmonton, Alta., Canada

Language: English Document Type: Conference Paper (PA)

Treatment: Practical (P)

Abstract: This paper presents the increasing importance of information technology as the electric utility industries undergo divestiture, deregulation, convergence, and globalization. In today's competitive environment, utilities increasingly focus on **customer retention**, **cost reduction** and competitive positioning. Decision-making, from system planning to operations and maintenance, is no longer just about finding the most economical solution to meet engineering criteria. It also involves determining customer expectations and finding the best approach to meet these expectations. Many utilities have realized the benefits from using real-time technologies, such as those involving supervisory control and data acquisition (SCADA) and distribution automation systems. These systems have historically improved reliability, reduced operating and capital costs, and have provided invaluable data for system planning, design and operations. The power industry will continue to derive these benefits as well as customer satisfaction and retention by more fully integrating their information and analysis systems. Properly managing and utilizing information will enable the energy companies of the future to be more competitive. (0 Refs)

Subfile: B C

Descriptors: electricity supply industry; information technology; management information systems; power engineering computing

Identifiers: information technology; electric utility industries; deregulation; competitive environment; customer retention; cost reduction; competitive positioning; decision-making; SCADA; distribution automation systems; customer satisfaction; management IS

Class Codes: B8110B (Power system management, operation and economics);

C7165 (Public utility administration); C7410B (Power engineering computing)

Copyright 1999, IEE

10/5/17 (Item 3 from file: 2)

DIALOG(R)File 2:INSPEC

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5343803

**Title: IT route to better customer service**

Author(s): Murray, I.

Journal: Conspectus p.30-1

Publisher: Prime Marketing Publications,

Publication Date: July 1996 Country of Publication: UK

CODEN: CONSF8 ISSN: 1351-0908

Material Identity Number: E394-96006

Language: English Document Type: Journal Paper (JP)

Treatment: Practical (P)

**Abstract:** Customer service has become the key differentiator in many markets. Organisations who understand real customer needs reap the benefits of higher **customer retention** level, lower **cost** of service and increased market share. Databases can play a key role in improving an organisation's customer service. By unlocking the value in an organisation's customer data and by turning this data into knowledge, IT acts as the primary catalyst for major change covering all aspects of the business - change that, when allied to a customer-focused culture driven from the very top of the organisation, will help to establish the organisation as a truly world-class player in customer care. (0 Refs)

Subfile: D

**Descriptors:** database management systems; knowledge based systems; marketing

**Identifiers:** customer service; IT; customer needs; retention level; service costs; market share; customer-focused culture; customer care; information architecture; middleware; customer contact staff; dialogue management; decision support technology; intelligent dialogue management; rule based tools; integrated customer information; market trend indicators; segmentation; data source mapping; data caching; data replication; transaction logic

**Class Codes:** D2140 (Marketing, retailing and distribution); D2080 (Information services and database systems)

Copyright 1996, IEE

10/5/18 (Item 1 from file: 35)

DIALOG(R)File 35:Dissertation Abs Online

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01817273 ORDER NO: AADAA-I3004233

**Effective use of customized incentives for trust-building in the online financial industry**

Author: Cho, Joungill

Degree: Ph.D.

Year: 2000

Corporate Source/Institution: The University of Texas at Austin (0227)

Supervisor: Neal M. Burns

Source: VOLUME 62/02-A OF DISSERTATION ABSTRACTS INTERNATIONAL.

PAGE 676. 197 PAGES

**Descriptors:** BUSINESS ADMINISTRATION, MARKETING ; BUSINESS ADMINISTRATION, MANAGEMENT ; MASS COMMUNICATIONS

**Descriptor Codes:** 0338; 0454; 0708

**ISBN:** 0-493-13246-5

It is essential for any business to initiate and maintain long-term relationships with its customers. Unless an initial relationship

continually and confidently; to a more trusting and individual level (where a user provides more intimate/private personal information), the initial costs of customer acquisition may be lost. The purpose of this study is to help e-commerce companies better understand their potential customers in terms of their comfortable ranges of providing personal information in accordance with different types of incentives. This study also examines four factors—experience, commitment, openness, and trust—that could influence the willingness to share personal information.

A total of 593 survey participants were selected randomly from visitors to the WingspanBank.com's main site, and randomly given one of twelve incentive protocols (including three protocols with no incentive) which they received in return for their participation in the survey. These twelve different survey protocols were created based on types (cash or a gift certificate) and values (no incentive, \$10, \$50, or \$100) of incentives and levels of personal information.

From the results of the study, first, it was demonstrated that intended use of the product/service online affects the number of questions answered online. People with an intention to use online banking tended to be more willing to provide hard to reveal personal information online.

Secondly, when harder to reveal personal information was asked, people who stated they were willing to share information only if they trusted the communicating party became more reluctant to provide their information.

Thirdly, the level of incentive affected the respondent's willingness to share personal information online. This study identified the most cost-effective use of incentives for easy, moderate, and hard to reveal information.

Finally, for more practical applications of this study, a prediction model using six factors was developed. This model showed overall correct prediction rate of 72.8 percent if an individual visitor to a site was a prospect customer. The results indicated that the trust-related concerns during online user registration influenced the probability of becoming a prospect customer.

10/5/19 (Item 2 from file: 35)

DIALOG(R)File 35:Dissertation Abs Online

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01807080 ORDER NO: AADAA-I9936977

**Measuring and managing consumer switching costs to improve customer retention in continuous services**

Author: Burnham, Thomas Adams

Degree: Ph.D.

Year: 1998

Corporate Source/Institution: The University of Texas at Austin (0227)

Supervisor: Vijay Mahajan

Source: VOLUME 60/07-A OF DISSERTATION ABSTRACTS INTERNATIONAL.

PAGE 2585. 138 PAGES

Descriptors: BUSINESS ADMINISTRATION, MARKETING ; BUSINESS ADMINISTRATION, MANAGEMENT

Descriptor Codes: 0338; 0454

ISBN: 0-599-38291-0

This dissertation investigates the different types of costs that consumers face in switching between continuous service providers and how those costs might be managed in order to improve customer retention. The work is presented as three studies. The first study develops a tool for comprehensively measuring service consumers' switching costs and derives a parsimonious framework for conceptualizing the types of switching costs that service customers perceive. The second study investigates the effect that a number of key antecedents have on these switching costs. The third study investigates how these switching costs, in conjunction with consumers' satisfaction with a service provider, influence consumers' intentions to stay with an incumbent service provider.

The findings suggest that service consumers perceive three major types of switching costs: procedural switching costs, financial switching costs and relational switching costs. These switching costs may be managed by managing consumers' perceptions of the complexity of the services and the heterogeneity among service providers, by managing consumers' utilization of the various features offered by service providers, and by selecting customers based upon their level of experience with other service providers and their experience with the switching process. Consumers' procedural and relational switching costs, in turn, may increase their intentions to stay with an incumbent provider, even when competing providers offer financial switching incentives. However when a competing provider offers services that consumers' perceive to be satisfying and also offers a financial switching incentive, consumers' satisfaction with the incumbent provider becomes critical for retention.

10/5/20 (Item 3 from file: 35)  
DIALOG(R)File 35:Dissertation Abs Online  
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01703622 ORDER NO: AAD99-31735

**THE POTENTIAL USE OF INFORMATION TECHNOLOGY FOR COMPETITIVE ADVANTAGE: AN EMPIRICAL EXAMINATION OF NIGERIAN COMMERCIAL BANKS**

Author: EZE, EZEGOZIE

Degree: PH.D.

Year: 1999

Corporate Source/Institution: WALDEN UNIVERSITY (0543)

Adviser: RUTH A. MAURER

Source: VOLUME 60/05-A OF DISSERTATION ABSTRACTS INTERNATIONAL.

PAGE 1657. 176 PAGES

Descriptors: BUSINESS ADMINISTRATION, MANAGEMENT ; BUSINESS  
ADMINISTRATION, BANKING ; INFORMATION SCIENCE

Descriptor Codes: 0454; 0770; 0723

This descriptive, cross-sectional, survey research study examined the potential of commercial banks in Nigeria to adopt, and strategically implement, information technology (IT). The purpose of the study was to survey executives at all Nigerian commercial banks (NCBs) to determine the following: (a) the most likely impact that the strategic application of IT could have in making NCBs domestically and globally competitive; (b) the variables—competitive rivalry, **customer acquisition** /retention, products/services, **cost** reduction, alliances/mergers, and government requirements—that could likely have the greatest impact in adopting and implementing IT by NCBs; and (c) the most likely impact of bank size on IT implementation in Nigerian banking industry.

Thirty-seven solvent NCBs were surveyed. The small size of the population obviated the need to select a sample size. An executive of each bank was surveyed using the questionnaire instrument, which was a hybrid adapted from models constructed by Mahmood and Soon in 1991 and Palvia in 1997 to measure the strategic and competitive impact of IT on a domestic/global firm. The banks were grouped into three categories: large, medium, and small.

Based on a cross-tabulation of survey data, more than 58% of the respondents believed that the strategic application of IT could help NCBs to a great/very great extent to improve their competitive positions. A ranking methodology revealed that (a) competitive rivalry, **customer acquisition** /retention, **cost** reduction, and alliances/mergers could likely have the greatest impact on competitive advantage through the strategic application of IT for small-sized banks; (b) products/services could likely exert the greatest impact on competitive advantage for medium-sized banks; and (c) government requirements could likely have the greatest impact on competitive advantage for large-sized banks.

The results of ANOVA and/or the Scheffe indicated that 22 out of 24 assessment items were not statistically significant at either 0.05 or 0.10



level, indicating that bank size could have little or no impact in the strategic use of IT by NCBs. Additionally, the respondents identified inadequate communications infrastructure, power outages, inadequate capital, cumbersome government regulations, unstable currency, and corruption as the six major problematic areas that impeded IT implementation efforts of NCBs.

10/5/21 (Item 4 from file: 35)  
DIALOG(R)File 35:Dissertation Abs Online  
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01348582 ORDER NO: AAD94-09650  
**OFFENSIVE AND DEFENSIVE MARKETING: AN EMPIRICAL INVESTIGATION OF THEIR IMPACTS ON BUSINESS PERFORMANCE**  
Author: CHA, JAESUNG  
Degree: PH.D.  
Year: 1993  
Corporate Source/Institution: THE UNIVERSITY OF MICHIGAN (0127)  
Chair: CLAES FORNELL  
Source: VOLUME 54/11-A OF DISSERTATION ABSTRACTS INTERNATIONAL.  
PAGE 4179. 168 PAGES  
Descriptors: BUSINESS ADMINISTRATION, MARKETING  
Descriptor Codes: 0338

The objective of this study is to investigate the relations between offensive and defensive marketing strategies and two types of business performance: market performance measured by market share and retention, and financial performance.

To better understand the optimizing behavior of the firms, the dynamic models of offensive and defensive marketing are analyzed. Most importantly, the steady-state equilibrium characterized by the elasticities with respect to offensive and defensive marketing shows that the more the market is sensitive to offensive or defensive marketing, the more a firm tends to be offensive or defensive.

The empirical models are estimated by PLS using the Swedish Customer Satisfaction Barometer data (Fornell, 1992). From the first model relating marketing strategies to retention and market share, we find a negative relations between offensive marketing and retention as well as between defensive marketing and market share.

The second empirical model to assess the impacts of marketing strategies on profitability is developed by an exploratory study. The model reveals the obviously different mechanisms of the two marketing strategies. Defensive marketing positively influences financial performance via profit margin by making demand less elastic, while offensive marketing has a positive impact on financial performance via market share, which is moderated by the negative direct impact on profit margin.

A comparison of the measurement models of defensive marketing reveals that the relative impact of customer satisfaction on profit margin is much larger than that of switching costs, while customer retention is determined by customer satisfaction and switching costs with equal weights.

Finally, this study suggests a paradigm for future research, which includes market characteristics as the determinants of the firm's strategic behavior.

10/5/22 (Item 1 from file: 65)  
DIALOG(R)File 65:Inside Conferences  
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03585511 INSIDE CONFERENCE ITEM ID: CN037750190  
**The Influence of Switching Costs on Customer Retention : A Study of the Cell Phone Market in France**  
Lee, J.; Lee, J.  
CONFERENCE: Association for Consumer Research; Bridging the Atlantic-

European conference; 1999  
EUROPEAN ADVANCES IN CONSUMER RESEARCH, 1999; VOL 4 P: 277-283  
ACR, 1999  
ISBN: 0915552434  
LANGUAGE: English DOCUMENT TYPE: Conference Papers and programme  
CONFERENCE EDITOR(S): Dubois, B.  
CONFERENCE SPONSOR: Association for Consumer Research  
CONFERENCE LOCATION: Jouy-en-Josas, France 1999; Jun (199906) (199906)

BRITISH LIBRARY ITEM LOCATION: 3829.482958  
DESCRIPTORS: ACR; consumer research

10/5/23 (Item 1 from file: 233)  
DIALOG(R)File 233:Internet & Personal Comp. Abs.  
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00610507 00AC09-006

**Banks follow students to college -- Web-only bank partners with sites devoted to a college audience**

Mulqueen, John T

Interactive Week , September 4, 2000 , v7 n35 p62, 1 Page(s)

ISSN: 1078-7259

Company Name: National InterBank; Study24-7; JackDough.com;  
Ecount.com; Student Advantage

URL: <http://www.nationalinterbank.com> <http://www.study24-7.com>  
<http://www.studentadvantage.com>

Languages: English

Document Type: Articles, News & Columns

Geographic Location: United States

Reports that Indianapolis, IN-based Web-only bank National InterBank has signed deals with Study24-7 and JackDough.com, two Web sites that cater to college students. Explains that these deals are part of National InterBank's goal to increase its depositor base. States that National InterBank's appeal lies in its high interest rates on deposits and free services that traditional banks have a hard time matching. Says it cannot afford to spend \$300 to \$1,000 to acquire each new customer, so it is signing deals with a variety of online services to keep its **customer acquisition costs** in line. Indicates that InterBank is not alone in marketing to students, and mentions other companies, such as Ecount.com and Student Advantage, that are using the same types of strategies. (MEM)

Descriptors: Electronic Banking; Electronic Shopping; Students;  
Corporate Alliances; Web Sites; Online Services

Identifiers: National InterBank; Study24-7; JackDough.com;  
Ecount.com; Student Advantage

10/5/24 (Item 2 from file: 233)  
DIALOG(R)File 233:Internet & Personal Comp. Abs.  
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00561006 00EA02-001

**Power to the buyer with group buying sites -- Reduce customer acquisition costs , reach new audiences, and sell excess inventory**

Rugullies, Erica

e-Business Advisor , February 1, 2000 , v18 n2 p10-14, 3 Page(s)

ISSN: 1098-8912

Company Name: Accompany; actBIG.com; Mercata; Zwirl.com; BroadVision

Languages: English

Document Type: Articles, News & Columns

Geographic Location: United States

Discusses group buying online and the benefits to both buyers and sellers. Says that group buying sites reduce acquisitions costs, reach new audiences, test and market promotions, and sell excess inventory. Reports that Accompany, actBIG.com, Mercata, and Zwirl.com are startups that are

capitalizing on this trend. Says that Accompany and Mercata are supplier-driven, providing the group buying site with a list of products available for sale. Notes that Mercata and Zwirl.com are primarily destination sites. Reports that Mercata and Accompany have the most consumer traffic and therefore present the most opportunities to close sales. Highlights Mercata has having the strongest business model, corporate infrastructure and Web site foundation built on BroadVision's One-to-One Commerce and an Oracle database. Contains two diagrams and two charts. (sps)

Descriptors: Electronic Commerce; Customer Support; Purchasing; Price ; Web Sites; Trends; Electronic Shopping

Identifiers: Accompany; actBIG.com; Mercata; Zwirl.com; BroadVision

10/5/25 (Item 3 from file: 233)

DIALOG(R)File 233:Internet & Personal Comp. Abs.

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00549421 99IE10-001

**What price mindshare? -- The economics of customer acquisition don't always compute**

Judge, Debra

Internet World , October 1, 1999 , v5 n30 p29-30, 2 Page(s)

ISSN: 1081-3071

Languages: English

Document Type: Articles, News & Columns

Geographic Location: United States

Discusses the economic aspects of retailers' practice of customer acquisition. Cites the National Retail Federation's findings that traditional brick-and-mortar retailers set aside 3.5 percent of sales revenue for advertising, in contrast to e-retail trade group, Shop.org's findings that electronic commerce sites spend an average of 76 percent of revenue on customer acquisition. Mentions other large spenders, including Beyond.com at 86 percent, eToys at 82 percent, Barnesandnoble.com at 76 percent, and CDnow at 72 percent. Explains that e-retailers use a variety of tactics such as cutthroat pricing, acquisitions, partnerships, and traditional media buys, but they fail to take action to nurture and retain the customers that they have attracted. Indicates that the **cost of customer acquisition** declines sharply for established sites that have built their brands and perfected their strategies. Includes one illustration. (MEM)

Descriptors: Retailing; Electronic Commerce; Money; Advertising; Marketing; Web Sites; Strategy

10/5/26 (Item 4 from file: 233)

DIALOG(R)File 233:Internet & Personal Comp. Abs.

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00546799 99AC09-002

**Crash...and get burned -- EBay found out what happens when Net retailers spend more time worrying about marketing than about data systems**

Guglielmo, Connie

Interactive Week , September 6, 1999 , v6 n36 p22-26, 2 Page(s)

ISSN: 1078-7259

Company Name: EBay

Languages: English

Document Type: Articles, News & Columns

Geographic Location: United States

Discusses how online auction service, eBay, is learning its lesson due to having to repair the damaged caused by a 22-hour outage in June. Reports that the outage cost the company \$3.9 million. Says that eBay acknowledged the blame was due to both a corrupt system disk and not having a backup service, because it had put customer features and site redesign ahead of it. Notes that a ``hot'' backup system is in the works that could restore

the site to full operation in as little as 20 minutes in case of another outage. Asserts that the overemphasis on **customer acquisition** and brand building can **cost** pure-play businesses in the long run. Calls site availability the most obvious indicator of a Web site's health, but says site operators may lose money and customers if the sites do not meet customer's expectations. Talks about using consistency, availability, and performance (CAP) as a way to measure Web sites. Includes four charts and one graph. (CT)

Descriptors: Disaster Recovery; Web Sites; Electronic Shopping;  
Backup; Auctions  
Identifiers: EBay

10/5/27 (Item 5 from file: 233)

DIALOG(R)File 233:Internet & Personal Comp. Abs.

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00511109 98IE10-306

**Cnet's comparison shopping site asks stores for clickthrough fees -- All 62 stores stick with site after free referrals come to end**

Gardner, Elizabeth

Internet World , October 26, 1998 , v4 n35 p4, 1 Page(s)

ISSN: 1081-3071

Company Name: CNET

URL: <http://www.shopper.com>

Product Name: shopper.com

Languages: English

Document Type: Articles, News & Columns

Geographic Location: United States

Reports that Cnet was able to retain all 62 of its clients when it converted its shopper.com comparison shopping service from free retailer listings to a pay-per-click advertising model. Says that the service maintains a database of 100,000 products and one million prices, enabling shoppers to compare prices, availability, and shipping costs for all retailers that carry a specific product, and then to click through to a retailer's buying page for that product. Adds that retailers are now charged for each click-through from the service to the buying page. Notes that one major client views the business model as an excellent means of controlling **customer acquisition costs**. Indicates that Cnet also instituted premier and preferred advertising tiers, adding that the lowest price for any product will still appear at the top of any listing, and the shopper retains the option to re-sort lists by price. (JC)

Descriptors: Advertising; Electronic Shopping; Corporate Alliances;  
Electronic Commerce; Retailing  
Identifiers: shopper.com; CNET

10/5/28 (Item 6 from file: 233)

DIALOG(R)File 233:Internet & Personal Comp. Abs.

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00504785 98CW08-407

**Financial Web sites provide little real value**

Hoffman, Thomas

Computerworld , August 31, 1998 , v32 n35 p33-37, 2 Page(s)

ISSN: 0010-4841

Company Name: Mainspring Communications

Languages: English

Document Type: Articles, News & Columns

Geographic Location: United States

Reports that Mainspring Communications Inc. conducted a study of 250 bank, insurance, and brokerage industry Web sites, and found that most companies are not deriving measurable business value from them. Says common problems included lack of clear business strategies for the Web sites, and overly optimistic near-term cost savings estimates. Indicates that one

insurance company launched an initiative designed to reduce costs by transmitting health care claims from physicians electronically, but discovered, after the fact, that most of the doctors in its target market lacked Internet service. Adds, the new processing channel became more expensive than the old when the insurer was forced to offer a \$3 payment per claim to entice doctors to use the new Web site. Says that recommendations for avoiding failed initiatives include starting with small, focused efforts, and being mindful of **customer acquisition costs**. Includes two sidebars and one photo. (JC)

Descriptors: Survey; Web Sites; Business; Marketing; Insurance; Banking

Identifiers: Mainspring Communications

10/5/29 (Item 7 from file: 233)

DIALOG(R)File 233:Internet & Personal Comp. Abs.

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00489624 98IE03-009

**Changing revenue mix is part of the game -- Total Entertainment Network's latest plan is for corporate sponsors, lower player fees**

Caulfield, Brian

Internet World , March 2, 1998 , v4 n8 p13, 15, 2 Page(s)

ISSN: 1081-3071

Languages: English

Document Type: Articles, News & Columns

Geographic Location: United States

Profiles Total Entertainment Network's shift to a complex business model that generates about 35 percent of revenue from banner advertising, corporate sponsorships, and international licensing. Says that Total Entertainment Network may be one of the first gaming sites to turn profitable, if it meets its goal this year. Notes the company's Professional Gamers' League has pulled in more than \$2 million in sponsorship fees from companies like Advanced Micro Devices, AT&T, Logitech, and US Robotics. Adds some analysts think the company's **customer acquisition costs** are too high to support its business model. Includes one screen display, one sidebar, and one photo. (JC)

Descriptors: Games; Web Sites; Advertising

10/5/30 (Item 8 from file: 233)

DIALOG(R)File 233:Internet & Personal Comp. Abs.

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00465918 97WW07-214

**Discount retailer makes a strategic move to the Net -- Lower customer acquisition costs , expanding access to Web underlies shift at CUC International**

Wang, Nelson

WebWeek , July 21, 1997 , v3 n22 p30, 32, 2 Page(s)

ISSN: 1081-3071

Company Name: CUC International

Product Name: netMarket

Languages: English

Document Type: Articles, News & Columns

Geographic Location: United States

Discusses the redesign of the netMarket Web site from CUC International, a members-only discount retailer. Explains that CUC wants to increase its online customer base of around 350,000 subscription members, due to the lower costs of maintaining online customers. Notes that the company's offline customer base is around 66 million. Says that although it was originally planned as an online shopping network, it became more focused on catalog and telephone sales. Claims that CUC is a significant presence in America Online's (AOL's) shopping area, with over half of its online customers being AOL members. Reports that, in addition to refurbishing its

own site, it has also made deals to enhance its AOL presence. Emphasizes that the success of the online shopping market will be an important factor in the success of CUC. Includes one photo. (kgh)

Descriptors: Electronic Commerce; Corporate Strategy; Retailing;  
Online Transaction Processing; Web Sites; Electronic Shopping  
Identifiers: netMarket; CUC International

10/5/31 (Item 1 from file: 583)  
DIALOG(R)File 583:Gale Group Globalbase(TM)  
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09416355  
Telekom zahlt bei Handy-Bomm drauf  
GERMANY: TELEKOM RESULTS TO SEPTEMBER 2000  
Handelsblatt (HT) 01 Dec 2000 p.24  
Language: GERMAN

In the first 9 months of 2000 Deutsche Telekom saw a 14.3% increase in turnover to EUR 29.22bn. Group profit surged 574% to EUR 8.44bn. Turnover by division was as follows: Division bn EUR change Network Communication 11.18 -10.7% Mobile Communication 6.42 +95.0% Carrier Services 2.95 +50.1% Data Communication 2.57 +21.2% Foreign Operations 1.53 +32.8% Radio/Broadband 1.43 + 3.5% Value-added Services 1.36 - 3.0% Other 0.99 +23.4% Terminals 0.76 -16.9% Mobile telephony became the second-most important field of business after fixed-line telephony. However, mobile communications made a loss of EUR 1.3bn, which is explained with the high costs of customer acquisition. Especially pre-paid offers caused losses. LOGISTICS PROBLEMSYHXX87AYCNIxELEDTX YHXXAY IXCNELEDTT X9=\*ORG LOGISTICS DISTRIBUTION CHAIN MGMT X9=\*ORG LOGISTICS OUTSOURCING X9=HERMES X9=SALAMANDER X9=DANZAS X9=DEUTSCHE POST XB=ELUAH XA=Post bekommt Logistik von Salamander nicht in XA= den Griff Financial Times Deutschland, 01 Dec 2000, p.9:- Deutsche Post AG has paid the Kornwestheim-based shoe manufacturer Salamander a high single-digit million amount to compensate for logistics problems. Under a contract signed in 1998, the logistics subsidiary of the German Post, which now operates under the name Danzas, agreed to handle the warehousing and shipment of 7mn pairs of shoes per year. Due to problems in shipments, Salamander suffered "considerable" losses of turnover. In 1999 Salamander started transferring logistics operations to Post's competitor Hermes. The cooperation with the Post is to end at the beginning of 2001

COMPANY: DEUTSCHE TELEKOM

PRODUCT: Computers & Auxiliary Equip (3573); Cellular Radio Services (4811CR); Cable Television Systems (4834); Communications Equipment (3660);  
EVENT: Company Reports & Accounts (83);  
COUNTRY: Germany (4GER);

10/5/32 (Item 2 from file: 583)  
DIALOG(R)File 583:Gale Group Globalbase(TM)  
(c) 2002 The Gale Group. All rts. reserv.

09326408  
OCBC to invest US\$50m in regional Internet bank  
SINGAPORE: OCBC/ANZ TO FORM INTERNET BANK  
Business Times (XBA) 18 Jul 2000 p.1  
Language: ENGLISH

Singapore's OCBC Bank and the Australia and New Zealand Banking Group (ANZ) will invest US\$ 100 mn over three years in a 50-50 owned stand-alone Asian Internet bank. The venture includes equity investments in a range of strategic partner firms and startup development costs. Among the partners are providers of e-financial services, online content and other

Internet-based services. The venture has already secured Hong Kong-based stockbroking firm Boom.com as its first partner. It aims to provide consumers outside the home countries of both banks a full range of products and financial services. It will do this via front-end banking, retail alliances, Internet service and online stockbroking. The venture will soon apply for a licence from the Monetary Authority of Singapore. It will be officially launched before the end of 2000. It should be earnings-positive by 2002 through a combination of regional growth, significantly reduced **customer acquisition costs** and scalable technology. Countries targeted for the Internet bank include China, Hong Kong, Taiwan, Korea and Japan, where there are large numbers of wired emerging affluent individuals. The venture tied in with OCBC's overall e-commerce strategy.

COMPANY: BOOMCOM; INTERNET; ANZ; AUSTRALIA & NEW ZEALAND BANKING; OCBC

EVENT: Company Formation (14);

COUNTRY: Singapore (9SIN); Australia (9AUS); New Zealand (9NEZ);

10/5/33 (Item 3 from file: 583)

DIALOG(R) File 583:Gale Group Globalbase(TM)

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09276310

LeisureHunt to expand via deal with Amadeus

UK: LEISUREHUNT IN AGREEMENT WITH AMADEUS

Financial Times (FT) 26 Apr 2000 p. 22

Language: ENGLISH

LeisureHunt.com and the Spanish hotel and flight booking service, Amadeus, have entered into an agreement which will entail the former paying a transaction fee per booking via the latter's hotels. The agreement sees UK-based Internet hotel booking service provider, LeisureHunt, boost its coverage abroad, with the addition to its search engine and database of 55,000 Amadeus-listed hotels. LeisureHunt, which posted a GBt 80,000 profit in 1999, is adopting a partnering strategy in a move which it says obviates the perils of direct competition with suppliers and **customer acquisition costs**.

(c) Financial Times 2000

COMPANY: AMADEUS; LEISUREHUNTCOM

PRODUCT: Travel Agencies (4721); Lodging & Tourist Services (7010); Air Transportation (4500); Computers & Auxiliary Equip (3573); Communications Eqp ex Tel (3662); Databases (7375DA);

EVENT: Company Formation (14);

COUNTRY: United Kingdom (4UK); Spain (4SPA);

10/5/34 (Item 4 from file: 583)

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06578186

MCI Communications Corp.

US: MCI ANNOUNCES RESULTS FOR FOURTH QUARTER '97

Wall Street Journal Europe (WSJ) 30 Jan 1998 p.2

Language: ENGLISH

US based telecommunications company, MCI Communications Corp. has announced its results for the fourth quarter of 1997. **Costs** related to employee and **customer retention** programs (US\$ 235mn), restructuring (US\$ 252mn) and technology upgrades (US\$ 265mn) resulted in the company reporting a loss during the period. Table: MCI Communications Figures in US\$ bn

	Current	Previous/Change	Turnover			
	5.1	4.7	8.51%	Net	Profit	

(0.391) 0.303 -229.04%

COMPANY: MCI COMMUNICATIONS

PRODUCT: Telephone Communications (4811);  
EVENT: Company Reports & Accounts (83);  
COUNTRY: United States (1USA);

10/5/35 (Item 5 from file: 583)  
DIALOG(R)File 583:Gale Group Globalbase(TM)  
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04510329

Donkeys to thoroughbreds

UK - BUILDING SOCIETY STAFF HAMPERED BY OUTMODED SYSTEMS  
Mortgage Finance Gazette (MFG) 0 September 1991 p51,52+

Outmoded systems are preventing bank and building society branch staff from offering better services to customers. Staff are expected to relearn each price whenever there is a change in accounts or account conditions as well as retain knowledge about old products. The provision of more training with more learning to be retained will lead to knowledge support systems being a major development for the branches in the 1990s. Financial services outlets can expect to see staffing levels in branches decrease, part-time staff increases, rising needs for training and learning, increased targets for sales and productivity, and better quality of service demands. Knowledge-based systems will result in greater productivity, decreased turnover in staff, reduction of training costs, increased customer retention and satisfaction. Customers will benefit by having more confidence in staff, a more effective service, problems being resolved quickly and a friendlier environment. An extended article discusses knowledge-based systems, and how staff, management and customers can benefit.

PRODUCT: Drugs, Cosmetics, Toiletries Whsle (5120); Banking Institutions (6010);  
EVENT: WORKER EDUCATION/TRAINING (21);  
COUNTRY: United Kingdom (4UK); OECD Europe (415); NATO Countries (420);  
South East Asia Treaty Organisation (913);

10/5/36 (Item 6 from file: 583)  
DIALOG(R)File 583:Gale Group Globalbase(TM)  
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04414245

GRANADA RENTAL REPORTS INCREASED PROFIT

UK - GRANADA RENTAL REPORTS INCREASED PROFIT  
Retail Week (RWK) 19 July 1991 p4

Granada UK Rental reports 28 weeks to 13 April 1991 profit up to GBP50.4 mil, from GBP49.6 mil in the year-earlier period. Growth was achieved in a difficult market through cost cutting and customer retention. The company kept a rental base of 2.5 mil units.

PRODUCT: Television Equipment (3651TV); Video Equipment (3651VE); Audio Equipment (3652AE);  
EVENT: COMPANY FINANCIAL DATA (80);  
COUNTRY: United Kingdom (4UK); OECD Europe (415); NATO Countries (420);  
South East Asia Treaty Organisation (913);

10/5/37 (Item 1 from file: 474)  
DIALOG(R)File 474:New York Times Abs  
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07798528 NYT Sequence Number: 927112000831  
**TECHNOLOGY BRIEFING: E-COMMERCE: ONLINE RETAILERS CUTTING SOME COSTS**  
Greenman, Catherine  
New York Times, Col. 2, Pg. 20, Sec. C  
Thursday August 31 2000  
DOCUMENT TYPE: Newspaper JOURNAL CODE: NYT LANGUAGE: English  
RECORD TYPE: Abstract

ABSTRACT:

Per- **customer acquisition costs** for online retailers decline to \$40 in the second quarter from a high of \$71 in the fourth quarter of 1999 thanks to shift from costly television ads to less expensive online advertising and marketing; graph (S)

SPECIAL FEATURES: Graph  
DESCRIPTORS: Retail Stores and Trade; Advertising; Marketing and Merchandising; Television; Computers and the Internet  
PERSONAL NAMES: Greenman, Catherine

10/5/38 (Item 2 from file: 474)  
DIALOG(R)File 474:New York Times Abs  
(c) 2004 The New York Times. All rts. reserv.

07779850 NYT Sequence Number: 259039000515  
**E-COMMERCE REPORT: CATALOG COMPANIES SHOW THE UPSTARTS THAT THEY KNOW A THING OR TWO ABOUT INTERNET RETAILING.**  
Tedeschi, Bob  
New York Times, Col. 1, Pg. 16, Sec. C  
Monday May 15 2000  
DOCUMENT TYPE: Newspaper JOURNAL CODE: NYT LANGUAGE: English  
RECORD TYPE: Abstract

ABSTRACT:

Old-line catalog companies that have built most extensive Web operations are stepping into more favorable light; while e-tailers spend tens of millions of dollars in advertising to attract customers to their sites, catalog companies have built-in marketing vehicle that can sit around consumer's house for weeks before it is thrown out; most important statistic separating catalog companies from their Web-only competitors is **customer acquisition cost** : \$11 for each new customer for catalog retailers, compared with \$82 spent by e-tailers per customer; photo (M)

SPECIAL FEATURES: Photo  
DESCRIPTORS: Retail Stores and Trade; Catalogues; Computers and the Internet; Advertising; Retail Stores and Trade  
PERSONAL NAMES: Tedeschi, Bob

10/5/39 (Item 3 from file: 474)  
DIALOG(R)File 474:New York Times Abs  
(c) 2004 The New York Times. All rts. reserv.

07757670 NYT Sequence Number: 025127000228  
**E-COMMERCE REPORT: FOR ONLINE BUSINESSES, ALLIANCES WITH BRICKS-AND-MORTAR RETAILING CHAINS PROMISE MANY BENEFITS.**  
Tedeschi, Bob  
New York Times, Col. 1, Pg. 10, Sec. C  
Monday February 28 2000  
DOCUMENT TYPE: Newspaper JOURNAL CODE: NYT LANGUAGE: English  
RECORD TYPE: Abstract

ABSTRACT:

Starbucks deal to set aside space in its coffee shops for Kozmo.com,

urban delivery specialist, may be first example of established retailer offering its floor space and personnel to e-commerce company; it is unlikely to be last; industry executives and analysts predict such agreements will come rapidly in next few months, as Internet retailers struggle to address two of their most glaring vulnerabilities-- **customer acquisition costs** and returns--while continuing to close gap between virtual and traditional stores; photo (M)

SPECIAL FEATURES: Photo

COMPANY NAMES: Starbucks Corp; Kozmo.com

DESCRIPTORS: Retail Stores and Trade; Computers and the Internet; Delivery Services; Retail Stores and Trade

PERSONAL NAMES: Tedeschi, Bob

?

12/5/1 (Item 1 from file: 35)  
DIALOG(R)File 35:Dissertation Abs Online  
(c) 2003 ProQuest Info&Learning. All rts. reserv.

01922482 ORDER NO: AADAA-I0804659

**Service delivery and learning in automated interfaces**

Author: Olivera, Paulo Rocha e

Degree: Ph.D.

Year: 2002

Corporate Source/Institution: Massachusetts Institute of Technology (0753)

Supervisors: Gabriel R. Bitran; Dan Ariely

Source: VOLUME 63/12-A OF DISSERTATION ABSTRACTS INTERNATIONAL.  
PAGE 4386.

Descriptors: BUSINESS ADMINISTRATION, MANAGEMENT ; BUSINESS  
ADMINISTRATION, MARKETING ; INFORMATION SCIENCE

Descriptor Codes: 0454; 0338; 0723

This dissertation analyzes the strategic implications of customization policies available to companies that must simultaneously provide service and learn about their customers through automated interfaces. The first part of the dissertation lays out the theoretical framework within which the analysis is carried. The second part addresses whether companies should use Internet-based customization tools to design service encounters that maximize customers' utility in the present or explore customers' tastes to provide more value in the future. Good customization policies must quantify the value of knowledge so as to adequately balance the expected revenue of present and future interactions. Such policies can be derived by analyzing the customization decision problem as a dynamic programming problem. Interpretation of the current understanding of the mechanism of customization, value creation, and customer retention leads to insights into the nature of the relationship between customization, value creation, and customer retention. The dissertation considers situations where customers acquire information by other means in addition to interactions with customers. In information-intensive environments, customer retention often takes the form of asking customers to answer questionnaires, or somehow acquiring information about the customers' preferences. The value of customers is convex as a function of knowledge. This means that the more firms know about a customer, the more eager they should be to learn even more. However, the cost of obtaining information about customers increases as knowledge increases. Understanding the interactions between these two functions is fundamental to designing information acquisition policies. In the real world, investment in customer retention must often be balanced with investment in customer acquisition. Therefore, investment in learning about a current customer must depend not only on the current level of knowledge about that customer but also on properties of the population to which potential customers belong. The analysis concludes with the characterization of information acquisition policies for a number of different managerial settings. (Copies available exclusively from MIT Libraries, Rm. 14-0551, Cambridge, MA 02139-4307. Ph. 617-253-5668; Fax 617-253-1690.)

12/5/2 (Item 2 from file: 35)  
DIALOG(R)File 35:Dissertation Abs Online  
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01639416 ORDER NO: AAD98-31331

**SATISFACTION AND REPURCHASE INTENTIONS IN THE SERVICE INDUSTRY: THE  
MODERATING INFLUENCE OF SWITCHING BARRIERS (CUSTOMER SATISFACTION)**

Author: JONES, MICHAEL ANDREW

Degree: PH.D.

Year: 1998

Corporate Source/Institution: THE UNIVERSITY OF ALABAMA (0004)  
Chairperson: SHARON E. BEATTY  
Source: VOLUME 59/04-A OF DISSERTATION ABSTRACTS INTERNATIONAL.  
PAGE 1257. 136 PAGES  
Descriptors: BUSINESS ADMINISTRATION, MARKETING  
Descriptor Codes: 0338

Firms are refocusing their efforts on keeping existing customers using defensive marketing strategies. Defensive marketing strategies emphasize customer satisfaction and switching barriers as means of increasing customer retention. The relationship between satisfaction and repurchase intentions has received considerable attention in the literature. Although many studies assume that the relationship between satisfaction and repurchase intentions is strong and certain, results vary as to the strength and magnitude of the relationship. In addition, although thought to be a key to retaining customers, the notion of consumer switching barriers has received little empirical attention. This dissertation addresses these key issues by hypothesizing that switching barriers are moderators of the satisfaction/repurchase intentions relationship. Three switching barriers were thought to be relevant to the satisfaction/repurchase intentions relationship: interpersonal relationships, switching costs (comprised of continuity costs, contractual costs, learning costs, search costs, setup costs, and sunk costs), and the attractiveness of alternatives. The proposed model was tested across two service industries (banks and hair salons) using moderator regression.

The results provided partial support for the moderating influence of switching barriers. As hypothesized, interpersonal relationships moderated the satisfaction/repurchase intentions relationship. In addition, switching costs were found to moderate the relationship between satisfaction and repurchase intentions but only for the hair salon sample. The attractiveness of alternatives did not have a significant moderating influence in either sample. This dissertation provides a number of contributions to the **customer retention** literature. Previous studies **investigating** the influence of satisfaction on repurchase intentions have focused on linear, additive models. This dissertation provides one of the first attempts to empirically investigate moderators of this important relationship. In addition, this dissertation represents one of the few efforts at conceptualizing switching barriers and empirically testing their influence on repurchase intentions.

12/5/3 (Item 3 from file: 35)

DIALOG(R) File 35:Dissertation Abs Online  
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01596803 ORDER NO: AAD98-00549

**CONSUMER DISCONTINUANCE DECISIONS FOR CONTINUOUSLY PROVIDED SUBSCRIPTION SERVICES (DISADOPTION, SERVICE DISCONTINUANCE)**

Author: MOODY, REX THOMAS

Degree: PH.D.

Year: 1997

Corporate Source/Institution: UNIVERSITY OF COLORADO AT BOULDER (0051)

Director: CALVIN P. DUNCAN

Source: VOLUME 58/07-A OF DISSERTATION ABSTRACTS INTERNATIONAL.

PAGE 2746. 274 PAGES

Descriptors: BUSINESS ADMINISTRATION, MARKETING

Descriptor Codes: 0338

For many years, marketing researchers have focused on the functions of creating, offering, and selling goods and services to provide customer satisfaction and drive firm profits. However, in today's more competitive marketplace, just getting customers and making the sale is not enough. Retaining customers in long-term relationships is now considered a key for improved firm profitability. In recognizing the significance of customer retention, the academic literature has concentrated on how to keep current

customers, and has expended less effort investigating the related area of consumer loss or discontinuance. Knowledge regarding the consumer discontinuance process should enable researchers and practitioners to devise better **customer retention** strategies.

This dissertation **investigates** the consumer discontinuance process in the domain of continuously provided subscription services. The study proposes a conceptual model of the consumer subscription continuance/discontinuance process that is tested using both field and lab research techniques. Existing frameworks from the social psychology, consumer behavior, and marketing literatures are the foundation for the proposed model. The study also investigates the impact of a planned promotional intervention on the elimination or delay of a continuance/discontinuance decision.

Empirical evidence partially supports the proposed conceptual model. The model and research identify three distinct phases of the discontinuance process: the occurrence and perception of trigger events, reconsideration of the subscription, and continuance/discontinuance behavior. Trigger events are incidents that occur and have the potential to cause consumers to rethink their original subscription decisions. Empirical results support the idea that trigger events are often the cause of subscription reconsideration. Once subscribers enter the reconsideration phase of the continuance/discontinuance process, the data show that their satisfaction with the service, and their perceived equity with the provider firm (defined here as relationship fairness) positively influence their commitment to their subscriptions. Subscribers' perceived satisfaction with an alternative service negatively affects subscription commitment. Greater discontinuance intentions follow lower levels of service commitment and lead to greater discontinuance behavior.

12/5/4 (Item 4 from file: 35)  
DIALOG(R)File 35:Dissertation Abs Online  
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01369564 ORDER NO: AAD94-23646

**MANAGERIAL ACCOUNTING PROBLEM-SOLVING SKILLS: AN EXPERIMENT INVESTIGATING GROUP-TO- INDIVIDUAL ACQUISITION AND TRANSFER (SKILL ACQUISITION)**

Author: PICARD, ROBERT RAYMOND

Degree: PH.D.

Year: 1994

Corporate Source/Institution: UNIVERSITY OF KENTUCKY (0102)

Director: JEAN C. COOPER

Source: VOLUME 55/04-A OF DISSERTATION ABSTRACTS INTERNATIONAL.

PAGE 1024. 246 PAGES

Descriptors: BUSINESS ADMINISTRATION, ACCOUNTING; EDUCATION, BUSINESS; PSYCHOLOGY, GENERAL

Descriptor Codes: 0272; 0688; 0621

This study explores the effects of group problem-solving experience on skill acquisition and transfer in a cost-behavior context. It addresses the issues of: (1) whether groups outperform individuals on an intellectual task; (2) whether participation in a group affects an individual's skill acquisition; and (3) whether acquiring skill in a group affects an individual's ability to transfer the skill. This is the first study to address these issues in an accounting context.

Groups might provide a mechanism for enhancing problem-solving skill acquisition and transfer. Prior studies of group versus individual performance and of the effects of group participation on individual's skill acquisition and transfer provide mixed results. These inconsistencies may be due to task and individual characteristics such as gender, ability, and affiliation preference (Hill, 1982).

A total of 202 student subjects participated in a three-stage laboratory experiment. The between-subjects factor of the 2 x 4 repeated measures design consists of the two settings where skill acquisition takes place. Subjects were randomly assigned to a group setting of three subjects

or an individual setting. The second factor, which is within-subjects, consists of four opportunities for problem solving: skill acquisition, assessment of skill acquisition, transfer to dissimilar problems, and transfer to similar problems. The dependent variables are solution accuracy and time to solution.

In STAGE 1, where subjects acquired skill, groups were significantly more accurate than individuals although they took longer to answer the problems. STAGE 2 assessed skill acquisition and no differences in accuracy or time to solution between settings were found. Subjects trained individually were more accurate than groups on both STAGE 3A (dissimilar) and 3B (similar) transfer problems. Moreover, subjects were also significantly faster on transfer problems structured similar to the acquisition problems. For STAGE 3A, time to solution was not significantly different.

This study contributes to the accounting literature in four ways. It integrates the skill acquisition and group theoretical literatures. It empirically examines group versus individual skill acquisition in a cost-behavior context. It extends the research on skill transfer into the management accounting literature. Finally, it studies cooperative learning with university students in a laboratory setting.

12/5/5 (Item 1 from file: 65)

DIALOG(R)File 65:Inside Conferences

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04679414 INSIDE CONFERENCE ITEM ID: CN048881105

**An Investigation of Customer Retention Activities Strategies of Food and Clothing Retailers in the Bloemfontein Area, South Africa**

Erwee, L.

CONFERENCE: Academy of Marketing Science-Annual conference  
DEVELOPMENTS IN MARKETING SCIENCE, 2003; VOL 26 P: 172-176

Academy of Marketing Science, 2003

ISSN: 0149-7421 ISBN: 0939783258

LANGUAGE: English DOCUMENT TYPE: Conference Papers and abstracts

CONFERENCE EDITOR(S): Spotts, H. E.

CONFERENCE SPONSOR: Academy of Marketing Science 2003 (2003) (2003)

BRITISH LIBRARY ITEM LOCATION: 3579.084600

DESCRIPTORS: marketing science; AMS

12/5/6 (Item 1 from file: 99)

DIALOG(R)File 99:Wilson Appl. Sci & Tech Abs

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1218342 H.W. WILSON RECORD NUMBER: BAST95013800

**Emphasize customer retention over customer acquisition**

Industrial Engineering v. 27 (Feb. '95) p. 10-12

DOCUMENT TYPE: Feature Article ISSN: 0019-8234 LANGUAGE: English

RECORD STATUS: New record

ABSTRACT: According to a recent survey by REL Consultancy Group, New York, many companies routinely under- invest in customer retention programs and over-fund new business initiatives. Stephen Payne, vice president of REL's North American operations, claims that management tends to focus resources on winning new customers at the expense of retaining and growing existing accounts, even though current customers are usually worth 5 times more than new customers.

DESCRIPTORS: Consumer satisfaction;

12/5/7 (Item 1 from file: 583)

DIALOG(R)File 583:Gale Group Globalbase(TM)

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09205438

Stetiger Anstieg

GERMANY: GROWTH FOR DR. SCHELLER COSMETICS

Profi Kosmetik (XXX) 01 Nov 1999 p.2

Language: GERMAN

Dr. Scheller Cosmetics AG expects a turnover of DM 150mn for 1999, after an 8% increase to DM 74.5mn in the first half. Adjusted for write-offs, the growth rate was 10%. The company spent DM 1.3mn on its going-public and is **investing** in service, **customer retention**, and modern production and information technology at the production site in Esslingen. \*

COMPANY: DR SCHELLER COSMETICS

PRODUCT: Cosmetics (2844CO);

EVENT: Companies Activities (10); Debt & Equity Securities (81); Company Reports & Accounts (83);

COUNTRY: Germany (4GER);

\*17/5/1 (Item 1 from file: 256)  
DIALOG(R)File 256:SoftBase:Reviews,Companies&Prods.  
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00133400 DOCUMENT TYPE: Review

PRODUCT NAMES: Customer Valuation (846279)

TITLE: How Valuable Are Your Customers?

AUTHOR: Kinikin, Erin

SOURCE: e-Business Advisor Magazine, v19 n8 p32(4) Sep 2001

ISSN: 1098-8912

HOME PAGE: <http://www.advisor.com>

RECORD TYPE: Review

REVIEW TYPE: Product Analysis

GRADE: Product Analysis, No Rating

A 'critical ongoing tool' in e-commerce success is the ability to manage customer relationships successfully. A formula is provided that can 'calculate customer value.' Five action items are highlighted that can teach e-commerce users about customers' behaviors. Topics covered include customer value calculations and definitions; a formula for **measuring** lifetime **value**; and insight gleaned from **customer** value analyses. The analysis described can immediately show that initial revenue or profitability is not a good indicator of long-term customer value. It also shows that customer retention can substantially affect customer lifetime value and that in longer-lived industries, service revenue can often add significantly to customer value. Because detailed computations can be costly and elaborate, analysts advise improving focus and quantifying resource deployment; monitoring for shifts in customer behavior that could mean dissatisfaction or loss of value; and the ability to recognize and correct 'value gaps' between current and potential customer value. Calculations recommended include those for initial revenue; initial costs, including those for acquisition and products (cost of the average product or product mix sold); and **future revenue**, including incremental purchases and service and support **revenue**; and **future** costs, including incremental sale and product costs, as well as ongoing service and support costs.

COMPANY NAME: Vendor Independent (999999)

SPECIAL FEATURE: Charts Tables

DESCRIPTORS: Business Planning; CRM; E-Commerce; Financial Analysis

REVISION DATE: 20011130

17/5/2 (Item 2 from file: 256)  
DIALOG(R)File 256:SoftBase:Reviews,Companies&Prods.  
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00132872 DOCUMENT TYPE: Review

PRODUCT NAMES: Customer Valuation (846279)

TITLE: The Strongest Link:...customer value analysis...

AUTHOR: Leahy, Tad

SOURCE: Business Finance, p49(3) Aug 2001

ISSN: 1521-4818

HOME PAGE: <http://www.businessfinancemag.com>

RECORD TYPE: Review

REVIEW TYPE: Product Analysis

GRADE: Product Analysis, No Rating

Among companies becoming expert at customer value analysis are Butler



International, GE Financial Assurance, and Accentuate. However, Butler hired an outside consultancy to interview a specially chosen group of customers in a focus group format. Customers chosen were considered critically important because of **revenue** generation and **future** business direction. The study included interviews with customers of Butler's competitors as well, in order to obtain their opinions of Butler. Butler is doing the same type of research among its own employees. Harland Analytical Services, a provider of analytical solutions to financial institutions, provides a tool called Stratics Attrition Predictor Models, which can estimate when and why a customer is likely to close an account and what products a customer is apt to purchase next. GE contracted with WhiteLight Systems to implement its customer value initiative and was able to save \$1 million in computing costs while increasing profitability by 30 percent, mostly as a result of 'bucketing' **customers based on value** generated for the company. Software was used to drill down to the particulars for each customer, and GE then 'repriced its services for the unprofitable ones.' Bucketing of customers with tiered services assists companies in obtaining more per-customer value, says an analyst. Accenture's customer valuation strategy involves identification and analysis of standalone value and upselling potential.

COMPANY NAME: Vendor Independent (999999)  
DESCRIPTORS: CRM; Financial Analysis; Market Research  
REVISION DATE: 20011030

\*20/5/1 (Item 1 from file: 256)  
DIALOG(R) File 256:SoftBase:Reviews,Companies&Prods.  
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00128404 DOCUMENT TYPE: Review

**PRODUCT NAMES:** Direct Marketing (835293); Internet Marketing (835552)

**TITLE:** The Model Customer: With Web site complexity increasing, direct...  
**AUTHOR:** Richebacher, Thomas F  
**SOURCE:** Intelligent Enterprise, v4 n2 p30(6) Jan 30, 2001  
**ISSN:** 1524-3621  
**HOME PAGE:** http://www.intelligententerprise.com

**RECORD TYPE:** Review  
**REVIEW TYPE:** Product Analysis  
**GRADE:** Product Analysis, No Rating

Direct marketing principles can help e-businesses develop marketing data without trying to work with unwieldy and unmanageable Web activity log files. Traditional direct marketing principles can assist in understanding the importance of data definition, which is the initial step toward analysis that permits tracking behavior of **individuals**, modeling response and profitability, developing **customer** segments, and **estimating lifetime value**. Because Web sites emerged in a highly structured environment that does not allow direct marketing companies to call the shots, and because Web site visitors are in control, direct marketing concepts must be 'extended and applied during the site's conceptualization and design stages.' The three most critical steps in meeting this goal are definition of objects and critical activities, data summarization, user motivation, user segment, content, and converting data. Each of these steps is described as part of the activities required to design a site that allows users to define user criteria and to extract only the key kernels of Web site activities, not extraneous data. Topics covered include Web site communication, communication method and language, tapping directly into the interaction stream, and establishing data integrity.

**COMPANY NAME:** Vendor Independent (999999)  
**SPECIAL FEATURE:** Charts  
**DESCRIPTORS:** Direct Marketing; Internet Marketing; Marketing Information; Web Site Design  
**REVISION DATE:** 20010430

20/5/2 (Item 1 from file: 2)  
DIALOG(R) File 2:INSPEC  
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5411276 INSPEC Abstract Number: C9612-7170-003

**Title:** Transforming accounting transactions into donor lifetime values  
**Author(s):** Allison, T.  
**Author Affiliation:** Compassion Int., Colorado Springs, CO, USA  
**Conference Title:** Proceedings of the Twenty-First Annual SAS Users Group International Conference, SUGI 21 Part vol.1 p.893-6 vol.1  
**Publisher:** SAS Inst, Cary, NC, USA  
**Publication Date:** 1996 **Country of Publication:** USA 2 vol.  
(xxviii+1688+vi+161) pp.  
**Material Identity Number:** XX96-00933  
**Conference Title:** Proceedings of 21st Annual SAS Users Group International Conference  
**Conference Date:** 10-13 March 1996 **Conference Location:** Chicago, IL, USA  
**Language:** English **Document Type:** Conference Paper (PA)  
**Treatment:** Applications (A); Practical (P)  
**Abstract:** Many corporations and not-for-profit organizations have old

data in their archives which can yield significant insight into marketing decisions they face today. This data can be instrumental in **estimating customer lifetime value** (LTV). Knowing your **customers** ' LTV can unleash the full power of database marketing. Base SAS/sup (R)/ software can be used to provide LTV **estimates** for **customers** /donors. **Lifetime value** can be calculated for various segments of **customer** /donor base, allowing for a comparison of various acquisition and retention programs. ( 0 Refs)

Subfile: C

Descriptors: accounts data processing; marketing data processing; software packages; statistical databases

Identifiers: accounting transactions; donor lifetime values; corporations ; not-for-profit organizations; old data; archives; marketing decisions; **customer lifetime value estimation** ; database marketing; base SAS software; acquisition programs; retention programs; statistical analysis

Class Codes: C7170 (Marketing computing); C7120 (Financial computing); C1140Z (Other topics in statistics); C6160Z (Other DBMS)

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20/5/3 (Item 1 from file: 35)

DIALOG(R)File 35:Dissertation Abs Online

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01858755 ORDER NO: AADAA-I3033518

**Applications of dynamic programming to customer management**

Author: Lewis, Michael V.

Degree: Ph.D.

Year: 2001

Corporate Source/Institution: Northwestern University (0163)

Adviser: Robert Blattberg

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PAGE 3860. 170 PAGES

Descriptors: BUSINESS ADMINISTRATION, MARKETING

Descriptor Codes: 0338

ISBN: 0-493-45937-5

This dissertation focuses on modeling longitudinal **customer** behavior and creating effective **customer** management policies. The research develops two models that demonstrate how information commonly contained in **customer** transaction databases may be used to guide marketing decisions such as pricing and the design of **customer** loyalty programs. A key feature of the dissertation is a reliance on dynamically oriented **measures** such as **customer lifetime value** or **customer** equity for evaluating alternative policies. The research is implemented using a combination of discrete choice and dynamic optimization techniques.

The first model utilizes a newspaper's subscriber databases to compute pricing strategies that optimize expected customer lifetime value. This study entails modeling the customer management process as a Markov Decision Problem. This involves classifying customers into segments and determining the appropriate marketing mix to optimize the profitability of each customer type. First, customer response is modeled for each customer classification. Second, using the classification to classification transitions implied by the customer behavior model, dynamic programming is used to compute optimal marketing policies.

The second model uses dynamic programming to model customer response to an online retailer's loyalty program. Dynamic programming is used in this analysis not as a tool to generate policies but rather as a description of consumer behavior. The dynamic programming framework allows for the modeling of customer expectations and the effects of past decisions.

The models provide both methodological and substantive contributions. For example, the first model presents a methodology for setting individual level prices that dynamically vary based upon a customer's lifecycle stage. This represents a data driven or quantitative approach to the common

practice of offering significant discounts to new or prospective customers. The second model provides a means for evaluating the effectiveness of marketing promotions designed to operate as dynamic incentive schemes. In terms of substantive findings each analysis provides significant insights into consumer behavior. For example, the first model suggests that multiple discounts that decrease as customer tenure increases are more profitable than single steep discounts. The central finding from the second model is that the loyalty program under study is effective in altering customer purchase patterns.

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01697004 ORDER NO: AAD99-26063  
**CUSTOMER LIFETIME VALUE ANALYSIS: AN INTEGRATED EMPIRICAL FRAMEWORK FOR MEASUREMENT AND EXPLANATION (PROFITABILITY, DIRECT MARKETING)**  
Author: REINARTZ, WERNER JOSEF  
Degree: PH.D.  
Year: 1999  
Corporate Source/Institution: UNIVERSITY OF HOUSTON (0087)  
Source: VOLUME 60/04-A OF DISSERTATION ABSTRACTS INTERNATIONAL.  
PAGE 1230. 118 PAGES  
Descriptors: BUSINESS ADMINISTRATION, MARKETING ; ECONOMICS,  
COMMERCE-BUSINESS  
Descriptor Codes: 0338; 0505

The analysis of customer lifetime value is seeing a strongly increasing interest in the marketing community. This interest has been sparked for three reasons. First, firms are interested in customer management processes for which an understanding of the lifetime value concept is a prerequisite. Second, the Marketing Science Institute has elevated the topic to a capital research priority—which reflects the interest of both, academics and managers. Third, given this high interest of multiple constituencies, empirical evidence is particularly scarce in this domain.

This dissertation focuses on methodological and managerial aspects of lifetime dynamics as they relate to the customer-firm relationship. The objective of this dissertation is to contribute to a better understanding of the customer management process. The explicit research objectives are to empirically measure lifetime for a non-contractual relationship, to show the factors that impact on the length of a customer's lifetime, and to empirically investigate the association of customer lifetime duration and customer profitability. The empirical customer-level analysis is conducted in the context of the general merchandise direct marketing industry.

The contribution of this research is threefold. First, using the NBD/Pareto model, it suggests and implements a methodological procedure for **measuring lifetime value** for non-contractual **customer** -firm relationships. Second, it derives managerial insight on the differential impact of exchange, **customer**, and firm characteristics on lifetime duration. Third, it uncovers the differentiated relationship of lifetime duration and lifetime profitability.

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FALL IN VIDEO RENTAL MARKET  
US - FALL IN VIDEO RENTAL MARKET  
Variety (VY) 31 January 1990 p59  
ISSN: 0042-2738

Suppliers of videos for the rental market in the US are expected to raise prices since rental demand has not met the optimistic projections made in the mid-1980s when the market was booming. Suppliers based their **long-term profit forecasts** on inflated **estimates** and the decline in the rental market has perhaps been greater than expected. Many small specialist video outlets have been pushed out by larger stores, fewer new stores are opening, new VCR owners tend to be over 50 and rent fewer videos, while rental frequency decreases with the length of time a **customer** has had a VCR. Distributors say that two suppliers, Paramount Home Video and MCA Home Video have raised their wholesale prices. These suppliers no longer issue a list price for the top rental titles, enabling them to increase the money earned from the titles without harming relations with their **customers**. Although no supplier wants to be the first to increase prices for rental videos, retailers accept that a price rise is inevitable to offset the slow-down in rental business. Once one supplier increases prices, the rest will follow.

PRODUCT: Records & Tapes (3652);

EVENT: MARKET & INDUSTRY NEWS (60);

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## Valuing Customers

*Sunil Gupta, Donald R. Lehmann, and Jennifer Ames Stuart; 34 pages*

Develops an approach to value the current and future customer base of a company using customer lifetime value, the discounted future income stream based on acquisition, retention, and expansion projections, and their associated costs.

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Although traditional accounting has focused on tangible assets, intangible assets—among them brand, customer, and employee equity—are critical and often dominant determinants of firm value. In this report, authors Gupta, Lehmann, and Stuart merge traditional financial valuation methods based on discounted earnings with the key marketing concept of the value of the customer to the firm.

The premise of their customer-based valuation approach is this: If the long-term value of a customer can be estimated by the lifetime value framework, and the growth in number of customers can be forecast, then the current and future customer base of a company can be valued. To the extent that this customer base forms a large part of a company's overall value, it can provide a useful proxy for firm value.

### Study

The approach is based on customer lifetime value, the discounted future income stream based on acquisition, retention, and expansion projections and their associated costs. The researchers define the value of an existing customer to a firm as the expected sum of discounted future earnings, which is based on key assumptions concerning retention rate and profit margin. The value of all customers includes future customers as determined by the acquisition rate and cost of acquiring new customers.

They demonstrate the method by using publicly available data for four Internet firms—Amazon, Ameritrade, eBay, and E\*TRADE. The results show a close relation between customer value and stock market value for three of the four companies.

### Managerial Findings

First, the estimates of customer value obtained by this approach were

reasonably close to the current market valuation of three of the four Internet firms. In contrast, traditional valuation methods had difficulty valuing these firms since most of them have negative earnings. These results indicate that customer-based metrics are value relevant.

Second, unlike the wide fluctuations in market value of these firms over the last year, estimates of customer value are quite stable over time since the patterns estimated do not change radically with a single new data point. This suggests that the customer-based valuation approach may be a more stable indicator of intrinsic firm value.

Third, consistent with previous studies in marketing, this study finds that retention has a very large impact on customer value. Specifically, a 10 percent improvement in retention increases the value of a firm's customer base by about 30 percent. In contrast, a 10 percent improvement in acquisition cost improves value by only 1 percent, and a 10 percent improvement in margin increases value by about 11 percent.

Interestingly, the market treated marketing (and customer acquisition) expenditures as investments before the Internet crash but now treats these expenditures as expenses. These results indicate that cutting acquisition costs may not be the most effective way to improve value. Further, to the extent that customers are assets, the market may be incorrect in treating customer acquisition costs as current expenses rather than as investments.

Fourth, the study finds that the retention rate has a significantly larger impact on customer and firm value than the discount rate or firm's cost of capital. Financial analysts and company managers spend considerable time and effort to measure and manage discount rate because they understand its impact on firm value. However, it may be more important for senior managers and financial analysts as well as marketing managers to pay close attention to a firm's customer retention rate.

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## **Valuing Customers**

Sunil Gupta, Donald R. Lehmann, and Jennifer Ames Stuart

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*Sunil Gupta, Donald R. Lehmann, and Jennifer Ames Stuart*

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Second, unlike the wide fluctuations in market value of these firms over the last year, estimates of customer value are quite stable over time since the patterns estimated do not change radically with a single new data point. This suggests that the customer-based valuation approach may be a more stable indicator of intrinsic firm value.

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Fourth, the study finds that the retention rate has a significantly larger impact on customer and firm value than the discount rate or firm's cost of capital. Financial analysts and company managers spend considerable time and effort to measure and manage discount rate because they understand its impact on firm value. However, it may be more important for senior managers and financial analysts as well as marketing managers to pay close attention to a firm's customer retention rate.

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# Introduction

Recently there have been many calls for marketing accountability, marketing productivity measurement, and better marketing metrics. Much of this stems from the dual realities of crumbling functional boundaries, as evidenced most recently by the growing role of design in new product development and of operations and information technology in customer relationship management, and increasing pressure to relate marketing to stock market performance. This paper relates the key focus of marketing effort, customers, to the key measure of financial success of a firm, market value.

Traditional accounting has focused on measuring tangible assets and the resulting data, reported in annual reports, 10Ks, etc., has formed the basis of firm valuation. However, intangible assets, among them brand, customer, and employee equity, are critical and often dominant determinants of value (Amir and Lev 1996; Srivastava, Shervani, and Fahey 1998). Yet financial analysts at best tangentially cover these critical determinants. Moreover, the dot.com bubble has been post-hoc attributed to the use of “too much marketing,” i.e., big advertising budgets, and to reliance on questionable marketing metrics such as eyeballs and click-throughs, suggesting that market-based measures may be in danger of rejection en masse.

Here we attempt to merge the traditional financial valuation methods based on discounted earnings with the key marketing concept of the value of the customer to the firm. Specifically, we show how a disciplined analysis of value on the basis of customers and their expected future earnings (a) provides insights not possible at the traditional more aggregate level of analysis, (b) facilitates projections for new and growing businesses, and (c) provides an explanation for the now deflated dot.com bubble. The basis of this approach is customer lifetime value, the discounted future income stream based on acquisition, retention, and expansion projections and their associated costs. In essence this extends the concept of customer lifetime value and the work of several researchers (e.g., Blattberg and Deighton 1996; Blattberg, Getz, and Thomas 2001; Niraj, Gupta, and Narasimhan 2001; Reinartz and Kumar 2000; Rust, Zeithaml, and Lemon 2001) to the arena of financial valuation.



# Valuing High Growth Businesses

In general, it is relatively easy to value stable and mature businesses. For these companies, the cash flow stream is predictable and relatively easy to project. Therefore financial models such as discounted cash flow (DCF) work reasonably well. In contrast, valuing high growth businesses is complex. These businesses have limited history to draw upon for future projections. They also typically invest heavily in the early periods, resulting in negative cash flows. Consequently, traditional financial methods have difficulty evaluating these businesses. It is hard to use a P/E (price to earning) ratio for a company that has no or negative E. This was evident during the peak of the dot.com bubble when many innovative valuation methods emerged. In order to put our approach in context, we briefly describe some of these valuation approaches.

## The Wall Street Approach

Henry Blodget, the Wall Street Internet guru, became famous in late 1998 for predicting that Amazon's share price would exceed \$400. Blodget justified his valuation by the following method. He first estimated Amazon's target market for books, music, and videos to be around \$100 billion. Next, he estimated that, similar to Wal-Mart, Amazon would become a leader in its category with a market share of 10 percent, giving it a revenue base of \$10 billion. Although traditional retailers achieve a net margin of 1-4 percent, Blodget estimated that Amazon's leaner operation would fetch it a fatter margin of 7 percent or \$700 million. Next, Blodget estimated a P/E ratio ranging from 10 (for a slow growth scenario) to 75 (for a fast growth scenario), thus giving Amazon a market cap as high as \$53 billion or \$332 per share (*Fortune* 1999).

In a variant of this approach Desmet, Francis, Hu, Koller, and Riedel (2000) created various scenarios for Amazon with market share from 5-15 percent and operating margin of 7-14 percent. They assigned subjective probabilities for these scenarios and arrived at an expected valuation for Amazon of \$23 billion. The approach of estimating market size, firm share in that market, profit margin, and P/E ratio is a well-accepted approach in the financial community (e.g., Frank 2001). However, there is considerable subjectivity involved in estimating many of the input factors such as market share and profit margin.

## Discounted Cash Flow (DCF) Approach

Several finance academics argue that traditional valuation methods such as DCF are valid for high growth companies as well. For example, in June 2000, Damodaran (2001) used this approach and estimated Amazon's share price value as \$34.37. Damodaran's approach to arrive at a positive valuation using DCF for a company that had negative cash flows had five main inputs. First, revenue growth for the company was estimated. For Amazon, Damodaran estimated that the current annual revenue growth of 120 percent would go down to 5 percent by year 10, giving a compound annual growth of 40 percent. Second, operating margin



was forecast. This was a challenging task, given that the operating margin for Amazon was then -16.27 percent. Damodaran assumed that Amazon would reach the operating margin of 9.32 percent, the average for specialty retailing industry, by the end of year 10. Third, he estimated (based on industry average) that for every \$3 in additional sales, Amazon would need to reinvest \$1 in capital. Finally he estimated the beta for Amazon and its debt ratio. These assumptions helped him use the DCF approach to arrive at a \$34.37 per share price for Amazon. This approach is sound and intuitive but the assumptions made to arrive at the valuation need better justification.

### **The Eyeball Approach**

As mentioned earlier, the difficulty of valuing high growth companies such as dot.coms by traditional methods led to new metrics and methods. One popular measure was the number of customers or eyeballs. This metric was based on the assumption that growth companies must acquire customers rapidly in order to gain first-mover advantage and build strong network externalities, regardless of the cost involved (*The Wall Street Journal* 1999). Academic research in accounting also provided validation for this belief. For example, Trueman, Wong, and Zhang (2001) combined information from financial statements with nonfinancial information from Media Metrix for 63 Internet firms for the period September 1998 to December 1999. A regression of market value on these components revealed that while bottom-line net income had no relation to stock price, both unique visitors and page views added significant explanatory power. A related study by Demers and Lev (2001) used similar data for 84 Internet companies for 1999-2000 to examine the relationship between market value and nonfinancial measures both during and after the Internet bubble. They found that nonfinancial measures such as reach (i.e., number of unique visitors) and stickiness (i.e., site's ability to hold its customers) explain share prices of Internet companies, both before and after the bursting of the bubble.

Note that these studies are correlational in nature and assume that the market value represents the true intrinsic value of the firm at any time—an efficient market argument. However, even if the markets are efficient in the long run, recent history suggests significant deviations in the short run. In other words, the value of the dependent variable in these studies—the market value of a firm—is likely to change significantly over time. Thus, financial analysts are now quite skeptical about nonfinancial metrics, especially number of customers. For example, a recent article criticized a Wall Street icon, Mary Meeker, for relying too much on eyeballs and page views and even putting them ahead of financial measures (*Fortune*, May 14, 2001).

### **Customer-based Valuation Approach**

The prevailing sentiment on Wall Street is that customer-based metrics are not only irrelevant for firm valuation but in fact can be misleading. We argue against this, demonstrating that value based on customers can be a strong and stable determinant of firm value. The premise of our customer-based valuation approach is simple: if the long-term value of a customer can be estimated by the lifetime value

framework, and we can forecast the growth in number of customers, then it is easy to value the current and future customer base of a company. To the extent that this customer base forms a large part of a company's overall value, it can provide a useful proxy for firm value. We also show that it is not necessary to get detailed proprietary information (as is typically done in database marketing and customer lifetime value research) to apply this approach. In fact we use only published information from annual reports and other financial statements of several firms to estimate the value of each customer base.

Our approach is similar in spirit to Kim, Mahajan, and Srivastava (1995) who estimate the market value of the cellular communications industry by forecasting the number of customers, revenue per customer, etc. However, they focused on valuing the entire industry rather than a specific firm. Further, they did not include factors such as customer retention and customer acquisition cost, which are critical drivers of our model.



# Model

Conceptually, the value of a firm's customer base is the sum of the lifetime value of its current and future customers. To build a mathematical and empirically estimable model, we first build a model for the lifetime value of a cohort of customers, then aggregate this lifetime value across all current and future cohorts, and finally construct models to forecast the key inputs to this model (e.g., number of customers in future cohorts). We start with a simple scenario where a customer generates margin  $m_t$  for each period  $t$ , the discount rate is  $i$  and retention rate is 100 percent. In this case, the lifetime value of this customer is simply the present value of future income stream, or

$$LV = \sum_{t=0}^{\infty} \frac{m_t}{(1+i)^t} \quad (1)$$

This is identical to the finance approach of valuing perpetuity (Brealey and Myers 1996). When we account for customer retention rate  $r$ , this formulation is modified as follows,

$$LV = \sum_{t=0}^{\infty} m_t \frac{r^t}{(1+i)^t} \quad (2)$$

Note that we have used infinite horizon to estimate customer lifetime value. Many researchers have debated about the appropriate duration over which lifetime estimates should be based (Berger and Nasr 1998). We build our model for infinite time horizon for several reasons. First, we do not need to arbitrarily specify the number of years that a customer is going to stay with the company. Second, the retention rate automatically accounts for the fact that over time the chances of a customer staying with the company go down significantly. Third, the typical method of converting retention rate into expected lifetime and then calculating present value over that finite time period produces significant overestimates of lifetime value.<sup>1</sup> Fourth, both retention and discount rates ensure that earnings from distant future contribute significantly less to lifetime value. Finally, models with infinite horizon are significantly simpler to estimate.

To estimate the lifetime value of the entire customer base of a firm, we recognize that the firm acquires new customers at each time period. Each cohort of customers goes through the defection and profit pattern as shown below. Here the firm acquires  $n_0$  customers at time 0 at an acquisition cost of  $c_0$  per customer. Over time, customers defect at a constant rate such that the firm is left with  $n_0 r$  customers at the end of period 1,  $n_0 r^2$  customers at the end of period 2, and so on.<sup>2</sup> The profit from each customer may vary over time. For example, Reichheld (1996) suggests that profits from a customer increase over his or her lifetime. In contrast, Reinartz and Kumar (2000) find that this pattern does not hold for non-contractual settings.

### Number of Customers and Margins for Each Cohort

Time	Cohort 0		Cohort 1		Cohort 2	
	Customers	Margin	Customers	Margin	Customers	Margin
0	$n_0$	$m_0$				
1	$n_0 r$	$m_1$	$n_1$	$m_0$		
2	$n_0 r^2$	$m_2$	$n_1 r$	$m_1$	$n_2$	$m_0$
3	$n_0 r^3$	$m_3$	$n_1 r^2$	$m_2$	$n_2 r$	$m_1$
.	.	.	$n_1 r^3$	$m_3$	$n_2 r^2$	$m_2$
.	.	.	.	.	$n_2 r^3$	$m_3$
.	.	.	.	.	.	.

Therefore the lifetime value of cohort 0 at current time 0 is given by

$$LV_0 = n_0 \sum_{t=0}^{\infty} m_t \frac{r^t}{(1+i)^t} - n_0 c_0 \quad (3)$$

Cohort 1 follows a pattern similar to cohort 0 except that it is shifted in time by one period. Therefore, the lifetime value of cohort 1 at *time 1* is given by

$$LV_1 = n_1 \sum_{t=1}^{\infty} m_{t-1} \frac{r^{t-1}}{(1+i)^{t-1}} - n_1 c_1 \quad (4)$$

It is easy to convert this value at the current time 0 by discounting it for one period. In other words, the lifetime value of cohort 1 at time 0 is,

$$LV_1 = \frac{n_1}{1+i} \sum_{t=1}^{\infty} m_{t-1} \frac{r^{t-1}}{(1+i)^{t-1}} - \frac{n_1 c_1}{1+i} \quad (5)$$

In general, the lifetime value for the  $k$ -th cohort at current time 0 is given by

$$LV_k = \frac{n_k}{(1+i)^k} \sum_{t=k}^{\infty} m_{t-k} \frac{r^{t-k}}{(1+i)^{t-k}} - \frac{n_k c_k}{(1+i)^k} \quad (6)$$

The value of the firm's customer base is then the sum of the lifetime value of all cohorts.

$$Value = \sum_{k=0}^{\infty} \frac{n_k}{(1+i)^k} \sum_{t=k}^{\infty} m_{t-k} \frac{r^{t-k}}{(1+i)^{t-k}} - \sum_{k=0}^{\infty} \frac{n_k c_k}{(1+i)^k} \quad (7)$$

Although it is easier to conceptualize the model in discrete terms, in reality, customer acquisition and defection is a continuous process. Schmittlein and Mahajan (1982) show that estimating an inherently continuous process such as Bass diffu-

sion model with a discrete version produces biases. Further, we will construct models of key inputs (e.g.,  $n_k$ ) as continuous functions. Therefore, we deal with a continuous version of customer value. It is well known that if the annual discount rate is  $i$  and we continuously compound it  $m$  times a year, then the discount rate at the end of the year is  $1/(1+i/m)^m$ . In the limit as  $m$  approaches infinity, the discount rate becomes  $e^{-it}$  (Brealey and Myers 1996). Similarly, it is easy to show that

$r/(1+i)^t$  is equivalent to  $e^{-\left(\frac{1+i-r}{r}\right)t}$ . Therefore, the continuous version of Equation 7 is

$$Value = \int_{k=0}^{\infty} \int_{t=k}^{\infty} n_k m_{t-k} e^{-ik} e^{-\left(\frac{1+i-r}{r}\right)(t-k)} dt dk - \int_{k=0}^{\infty} n_k c_k e^{-ik} dk \quad (8)$$

Before building models of  $n_k$  etc. we turn to data in our empirical application to understand the nature of available information. The available data, its empirical pattern, and theory guide us in our selection of appropriate models for these input variables.



# Application

## Data

We estimate our model using data from four Internet companies. Although our model is not limited, nor specifically designed for such companies, we use data from these companies for two reasons—the data are easily available, and valuation of these companies is especially difficult using traditional financial metrics because of negative earnings.

Based on annual reports, 10K and 10Q statements, and other company reports, we use quarterly data for the period March 1997 to June 2001 for Amazon, Ameritrade, eBay, and E\*TRADE. The data for each quarter include number of customers, gross margin, and marketing costs. Using these data and some reasonable assumptions (discussed shortly), we estimate the acquisition cost and quarterly margin per customer. A summary of the data for the four companies is given in Table 1. We now focus on each input variable for our model, examine the empirical pattern in the data, and use it along with theory to suggest an appropriate way to model these factors.

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**Table 1. Descriptive Data**

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Company	Data Period		No. of Customers	Quarterly Margin <sup>1</sup>	Acquisition Cost <sup>2</sup>
	From	To			
Amazon	Jun 1997	Jun 2001	35,100,000	\$ 6.23	\$ 8.41
Ameritrade	Dec 1997	Jun 2001	1,545,000	\$ 83.79	\$ 229.25
eBay	Mar 1997	Jun 2001	34,100,000	\$ 4.30	\$ 9.40
E*TRADE	Mar 1998	Jun 2001	3,828,610	\$ 52.91	\$ 162.30

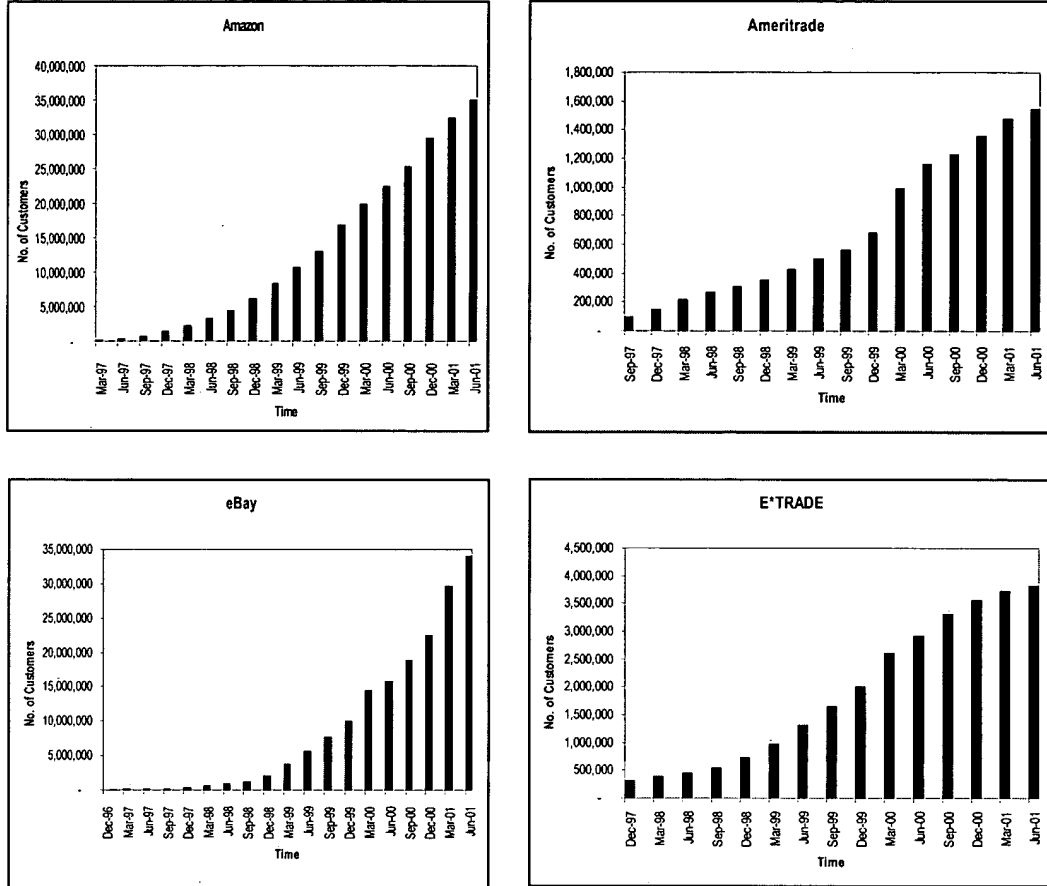
1. Quarterly margin is per customer based on the average of the last four quarters.
  2. Acquisition cost is per customer based on the average of the last four quarters and 80% retention rate.
- 

*Number of Customers.* One of the key inputs to our model is the number of customers in future cohorts. Figure 1 shows the growth in number of customers for each of the four firms. The data show a remarkable consistency with the classical diffusion theory. A natural candidate to estimate the number of customers in future periods is the Bass (1969) diffusion model. However, the Bass diffusion model (continuous version) is based on the solution to a nonlinear differential equation and the resulting sales or number of customers equation is quite complex (Bass 1969, p. 218). The discrete analog of the diffusion model is simpler, but it still poses some challenges in our context because sales or number of new customers are a function of cumulative sales or customers. This recursive relationship makes the integration (or summation) more complex. Further, Schmittlein and



Mahajan (1982) show that estimating an inherently continuous time model with a discrete approximation produces biased estimates.

**Figure 1. Number of Customers**



Therefore we chose to model customers by another S-shaped function that is similar in spirit to the Bass diffusion model but mathematically more convenient to our context. Specifically, we suggest that the cumulative number of customer  $N_t$  at any time  $t$  is given by

$$N_t = \frac{\alpha}{1 + \exp(-\beta - \gamma t)} \quad (9)$$

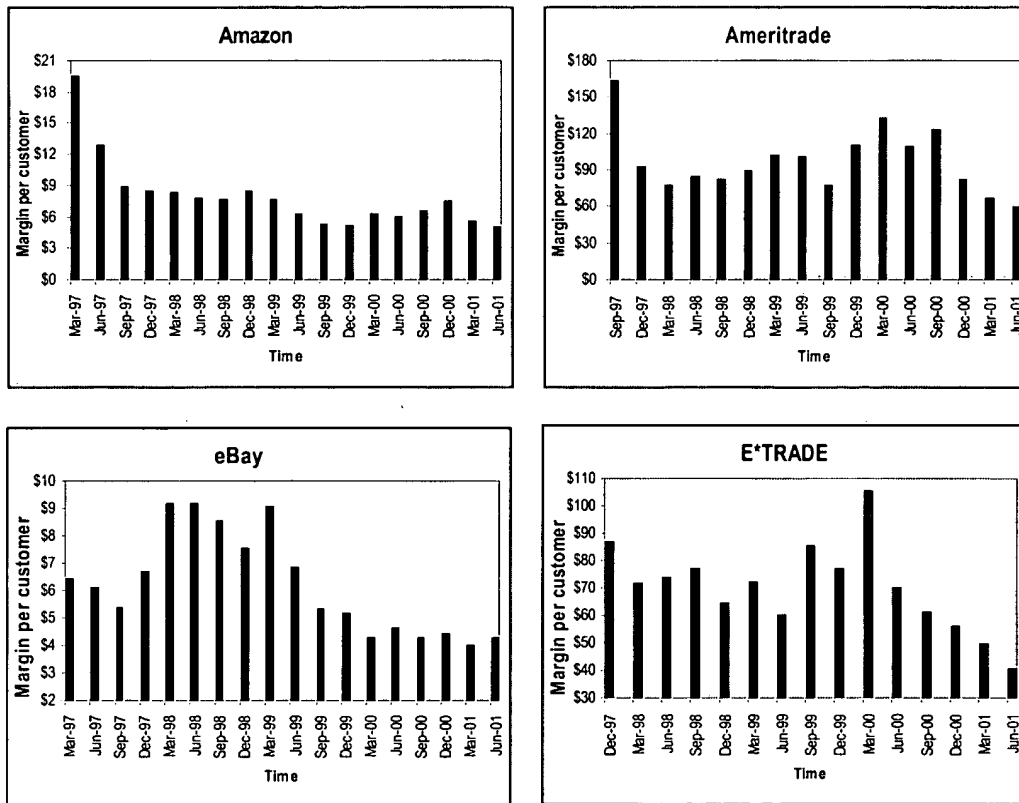
This S-shaped function asymptotes to  $\alpha$  as time goes to infinity. The parameter  $\gamma$  captures the slope of the curve. The number of new customers acquired at any time is then easily obtained by differentiating this function,

$$n_t = \frac{dN_t}{dt} = \frac{\alpha \gamma \exp(-\beta - \gamma t)}{[1 + \exp(-\beta - \gamma t)]^2} \quad (10)$$

This model, also called the Technological Substitution Model, has been used by several researchers in modeling innovations and projecting number of customers (e.g., Fisher and Pry 1971; Kim, Mahajan, and Srivastava 1995).

*Margin.* For each firm we use publicly available data, such as financial statements, to obtain the gross operating margin for each quarter. We estimate quarterly margin per customer by dividing the total gross margin by the number of current customers in that quarter. Figure 2 shows the changes in quarterly margins over time for our sample of four companies. Unlike the number of customers, there is no systematic pattern in margins except for recent decline in the margins of Ameritrade and E\*TRADE due to significant slowdown in online trading (we will discuss this later).

**Figure 2. Quarterly Margin Per Customer**



This lack of a systematic pattern has generated debate among researchers in this area. For example, Reichheld (1996) finds that as a customer stays longer with a company and becomes more comfortable doing business with a firm, it buys more and at a higher frequency, generating a larger revenue stream. He also suggests that the company has the potential of cross-selling its products to its customer base. In addition to increased revenue, Reichheld's research finds that the longer a customer stays with a company the lower is the cost of doing business with that customer. Recently, Reinartz and Kumar (2000) challenge these findings and show that duration of stay is not necessarily related to increased margin.

Complicating the difficulty in finding a pattern of margins over time within a cohort, our aggregate data combine margins across several cohorts, each of them at a different stage of their lifecycle. Intuition and anecdotal evidence suggest that as a company expands its customer base, it tends to draw more and more marginal customers who do not spend as much money with the company as its original customers. Consequently, average revenue per customer may decline over time. This is especially true if company's customer base expands very rapidly, thereby changing its customer mix. For example, CDNOW's revenue per customer fell from \$23.15 to \$21.16 in 1998. In the first quarter of 1999, it acquired a competitor, N2K, that further contributed to the decline in its revenue per customer from \$18.15 in Q1 of 1999 to \$14.42 in Q2 of 1999.

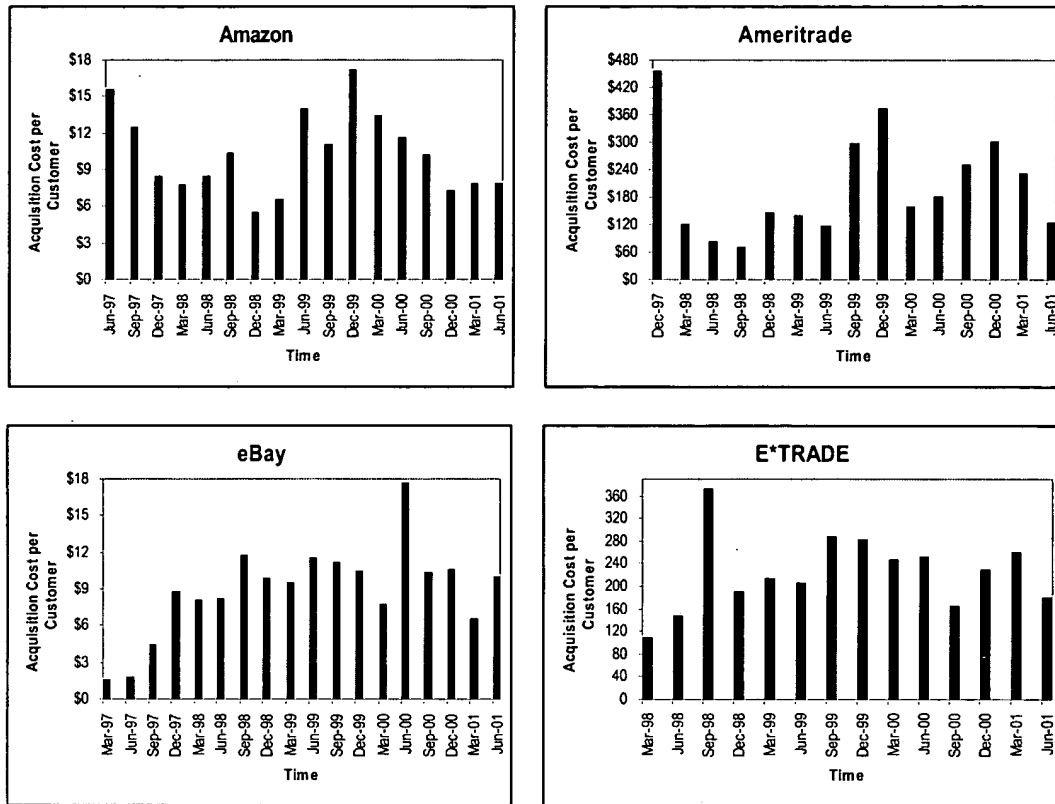
Given this conflicting evidence in recent research and the lack of any systematic pattern in our data, we assume margin to be constant over time. Specifically, we use the average of the last four quarters as the margin for future periods.<sup>3</sup> Clearly this is a simplifying assumption and we leave its detailed examination to future research.

*Acquisition Cost.* Although conceptually easy to define, it is somewhat difficult to precisely estimate acquisition cost in an empirical setting. Companies use different accounting and management practices to define what costs should be included in this measure. Here we operationalize it by dividing the marketing cost by the number of newly acquired customers for each time period, a reasonable assumption early on since these firms were focused on acquiring new customers. Figure 3 shows the changes in acquisition costs over time for these four companies.

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**Figure 3. Acquisition Cost per Customer**

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Similar to profit margins, there is no systematic pattern in acquisition costs, which may be affected by two opposing forces. As competition intensifies and a company acquires marginal customers (i.e., customers to whom the firm's products and services are less convincing), its acquisition cost increases. This is most evident in the telecom industry where the acquisition cost per subscriber dramatically increased from \$4,200 when AT&T bought TCI and Media One, to \$12,400 when Vodafone acquired Mannesman. However, as a company grows its customer base and its reputation in the market, network externalities as well as branding power make it easier to attract new customers. For example, network externalities favor eBay in attracting new customers. It is difficult to know how these two forces counterbalance each other. Our data show no significant patterns in the acquisition costs over time. Therefore, for simplification purposes we once again assume constant acquisition cost and use last four quarters' average as the cost for future customer acquisitions.<sup>4</sup>

*Retention.* Customer retention is one of the most critical variables that affect customers' lifetime profit. Yet it is extremely hard to obtain precise estimates of customer retention, at least from publicly available data. Some studies suggest an average of 80 percent retention rate among established firms (Reichheld 1996). Given

the ease of comparison shopping and the competitive intensity on the Web, the retention rate is likely to be lower for many Internet firms. For example, a recent financial statement by Amazon indicates that only 60 percent of its customer accounts are currently active. While it is possible to estimate customer retention rates based on detailed customer databases (e.g., Schmittlein and Peterson 1994), we estimate the value of customer base for the customer retention range of 60-80 percent.

*Discount Rate.* The discount rate is the weighted average cost of capital that accounts for the debt-equity ratio of a firm as well as its risk. Standard financial methods (e.g., Capital Asset Pricing Model) can be used to estimate these rates. Damodaran (2001) estimates the cost of capital for Amazon as 12.56 percent. Finance texts generally suggest a range of 8-16 percent for this annual discount rate. Therefore, we use the average of 12 percent for our analysis.<sup>5</sup> We also show the sensitivity of our results to different rates of discount.

### Estimation

For each company we have historical data on the actual number of customers. These numbers are a net effect of all customers who ever tried the services of the company minus the defectors. For example, if a company has 100,000 customers in period 0 and 130,000 customers in period 1 and its retention rate is 80 percent, then it acquired 50,000 customers during the first time period. Therefore, cumulative number of customers who ever tried this company's services is 100,000 in period 0 and 150,000 in period 1. In our valuation model,  $n_t$  is the number of customers acquired during time  $t$ , and not the number of actual new (i.e., acquired minus defected) customers. Therefore, we model number of customers who ever tried a firm's services, i.e.,  $N_t$ . Once the parameters of this model are estimated, it is easy to obtain  $n_t$  as per Equation 10. We estimate our model under three different retention scenarios (60 percent, 70 percent, and 80 percent). The model for forecasting number of customers was estimated using nonlinear least squares as suggested by Srinivasan and Mason (1986). Parameters of this model along with estimates of acquisition cost, retention rate, margin, and discount rate were then used as input to the valuation model in Equation 8. This model was then evaluated using Mathematica.

### Results

We first report results for the number of customers, and then discuss results for the value of a firm's customer base.

*Number of Customers.* Table 2 provides parameter estimates as well as fit statistics for each of the four companies. We report mean absolute deviation (MAD) and mean squared errors (MSE) as measures of fit, since the traditional measures such as  $R^2$  are not appropriate for nonlinear regression modeling (Bates and Watts 1988; Srinivasan and Mason 1986). Our model fits the data quite well as indicated by low MAD and MSE.

**Table 2. Parameter Estimates for Number of Customers (in millions)**

Company	Parameter	Retention = 60%		Retention = 70%		Retention = 80%	
		Estimate	Std Error	Estimate	Std Error	Estimate	Std Error
Amazon	$\alpha$	82.20	3.59	70.53	2.94	60.21	2.36
	$\beta$	-4.77	0.08	-4.67	0.09	-4.57	0.09
	$\gamma$	0.31	0.01	0.31	0.01	0.32	0.01
	MAD	0.84		0.75		0.63	
	MSE	0.97		0.79		0.68	
Ameritrade	$\alpha$	4.09	0.30	3.49	0.28	2.96	0.26
	$\beta$	-3.73	0.07	-3.63	0.09	-3.52	0.10
	$\gamma$	0.28	0.01	0.28	0.02	0.28	0.02
	MAD	0.04		0.04		0.04	
	MSE	0.003		0.003		0.003	
eBay	$\alpha$	95.02	13.21	84.68	12.32	75.24	11.37
	$\beta$	-6.27	0.16	-6.17	0.17	-6.07	0.19
	$\gamma$	0.34	0.02	0.33	0.02	0.33	0.02
	MAD	0.98		0.71		0.62	
	MSE	1.77		0.79		0.73	
E*TRADE	$\alpha$	8.51	0.17	7.24	0.16	6.15	0.15
	$\beta$	-3.75	0.04	-3.66	0.05	-3.57	0.06
	$\gamma$	0.34	0.01	0.34	0.01	0.35	0.01
	MAD	0.29		0.24		0.28	
	MSE	0.09		0.06		0.08	

MAD is mean absolute deviation and MSE is mean square error.

All the parameters are significant. Parameter  $\alpha$  provides an estimate of the maximum number of customers who are expected to ever try a company's product and services. Table 2 results show that if the retention rate is 60 percent, the maximum number of triers are expected to be 82.2 million for Amazon, 4.09 million for Ameritrade, 95.02 million for eBay, and 8.51 million for E\*TRADE. The maximum number of actual customers will be less than this number due to defection. As the retention rate increases, estimates for the maximum number of triers go down systematically. For example, for Amazon these estimates are 82.2 million at 60 percent retention, 70.53 million at 70 percent retention, and 60.21 at 80 percent retention. Thus, regardless of our assumption of retention rate we get similar estimates for the maximum number of actual customers. In other words, the higher the retention rate, the fewer triers are needed to reach a given (projected) level of actual customers.

Although the  $\alpha$  parameters are statistically significant for all four companies, the standard errors for Amazon and eBay are higher than those for E\*TRADE and Ameritrade. This is mainly due to the fact that growth in the number of customers has slowed down significantly for E\*TRADE and Ameritrade. This provides a clear inflection point in the S-shaped curve for these companies, allowing for better and

more certain estimates. In contrast, eBay continues to grow rapidly. For example, it added 4.4 million new customers in the second quarter of 2001. Some of this growth is due to acquisition of new companies that is harder for the diffusion model to capture.

Small standard errors for parameters  $\beta$  and  $\gamma$  suggest that they are estimated with reasonable precision. From Equation 10 it is easy to show that the peak for customer acquisition occurs at  $-\beta/\gamma$ . Table 2 results suggest that this peak occurs about 15-20 quarters from the start of our data period (around 1997). In other words, for the companies in our dataset, acquisition is likely to slow down after four to five years or around the year 2001-2002. After this time companies will continue to acquire more customers but the actual number of customers acquired in each period is expected to be smaller than the previous period. For example, Amazon added 4 million net new customers in December 2000, but added only 3 million customers in the next two quarters.

*Value of Customer Base.* The actual number of current customers and a forecast of customers to be acquired in the future enable us to estimate the value of a firm's customer base (current and future). We use average acquisition costs and margins from Table 1, and parameter estimates from Table 2 as input to Equation 8. Results are presented in Table 3 for three different retention rates.

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**Table 3. Value of Customers and Market Cap**

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	Value of Customers (\$ billion)			Market Cap (\$ billion)	
	Retention Rate			As of June	As of August
	r = 60%	r = 70%	r = 80%	30, 2001	29, 2001
Amazon	2.00	2.54	3.29	5.13	3.45
Ameritrade	1.13	1.45	1.94	1.51	1.13
eBay	1.56	2.11	2.87	18.72	14.51
E*TRADE	1.44	1.89	2.56	2.10	2.02

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**Amazon.** Our estimates of the value of current and future customers of Amazon range from \$2 billion to \$3.29 billion for retention rates of 60-80 percent. Amazon indicates that its retention rate is over 70 percent. Some consultants have suggested that a reasonable assumption for Amazon's customer retention rate is 78 percent (Seybold 2000). With this retention rate, the value of Amazon's customers is about \$3 billion. In addition, like any other company Amazon has tangible assets. For example, at the end of June 2001, it reported cash and marketable securities worth \$609 million. These estimates indicate that the Amazon's market value of about \$3.45 billion (August 2001) is in line with our expectations.

**Ameritrade.** We estimate the value of Ameritrade's customers to be in the range of \$1.13-\$1.94 billion. The market value of Ameritrade at the end of August 2001 is \$1.13 billion, which is our estimate of its customer value for a retention rate of 60 percent. Does it mean that the market is not valuing Ameritrade's tangible assets,

or is Ameritrade's retention rate even lower than 60 percent? While it is difficult to answer this question precisely, we note that we assumed a constant margin in the future based on the average of the last four quarters. Recent turbulence in the market has slowed down online trading and had a significant negative impact on the margins of online traders like Ameritrade. For example, Ameritrade's average quarterly margin per customer was \$124.24 in September 2000, \$83.31 in December 2000, \$67.47 in March 2001, and \$60.14 in June 2001. In other words, using the average of \$83.79 for future periods may be an overestimate. Assuming future margins to be \$60, i.e., the same as in June 2001, the estimates for Ameritrade's customer value range from \$0.76 billion to \$1.34 billion. More than model fitting, projecting margin in the future requires a deep understanding of the industry and the company's competitive position in the marketplace. Our model requires these judgments as inputs. However, our approach also provides a means for researchers and analysts to assess the impact of their assumptions on the overall value of the firm.

**eBay.** Our analysis suggests that the value of eBay customers range from \$1.56-\$2.87 billion. Unlike Amazon or Ameritrade, these estimates are significantly lower than eBay's August 2001 market value of \$14.51 billion. Either the market is still overvaluing eBay because it is one of the few dot.coms with positive earnings, or our model is not capturing some important option value. Some analysts on Wall Street consider eBay to be significantly overvalued. For example, Faye Landes, an analyst at Sanford C. Bernstein who was recently anointed an "all star analyst" by Fortune magazine, said about eBay, "It's trading at more than 30 times our 2005 estimates—that makes it one of the most expensive stocks there is." (*Fortune*, June 11, 2001). While the market may be overvaluing eBay, it is also possible that our model does not capture unique aspects of eBay's business. Specifically, eBay is an auction exchange where there may be significant network externalities that are not captured by the traditional diffusion model. Further, eBay's business entails both buyers and sellers and combining them both into "customers" may be oversimplification. For example, eBay currently has a total of about 34 million customers. It is difficult to argue that if these customers are evenly split into buyers and sellers, it is the same as having 33 million sellers and 1 million buyers. In other words, it may be important to model buyers and sellers separately and then construct a model of interaction among them. We leave this for future research.

**E\*TRADE.** E\*TRADE's market value of \$2.02 billion as of August 2001 is within the range of our estimates of its customer value of \$1.44-\$2.56 billion. Similar to Ameritrade, E\*TRADE is being affected by the recent slowdown in online trading among customers. Consequently, its quarterly margin per customer has gone down from \$61.56 in September 2000 to \$41.20 in June 2001. If we use the last quarter's margin as our estimate for the future instead of the four-quarter average, our customer value estimates range from \$1.09-\$1.98 billion.

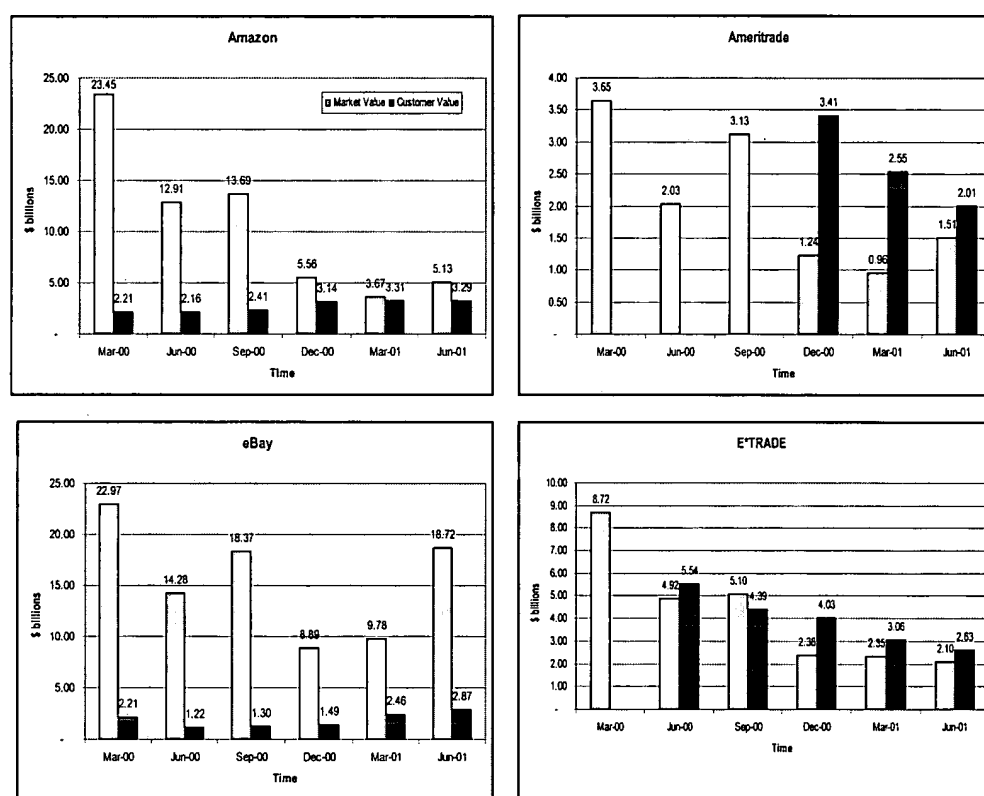
*Changes in Value over Time.* In the last few years we have witnessed significant volatility in the valuation of dot.com companies. In hindsight many of these valuations were inaccurate. Therefore, to further examine our model we go back in time to see if our approach provides more stable estimates of customer value than earlier



market capitalization levels. This also attests to the robustness of our model and the customer-based valuation approach.

To achieve this objective, we re-analyze data for all four companies for different time periods assuming an 80 percent retention rate. We start our analysis by using data up to March 2000—the peak of the Internet bubble. We then repeat this analysis by adding data for an additional quarter (i.e., June 2000, September 2000, and so on). Figure 4 shows customer value for the four companies based on this analysis. We also contrast these numbers with the market cap of the firms at that point in time.

**Figure 4. Over-time Changes in Customer and Market Value of Amazon**



Due to non-convergence of our model, customer value could not be estimated for March-September 2000 for Ameritrade and for March 2000 for E\*TRADE.

**Amazon.** Customer value estimates for Amazon are fairly stable over time and range from \$2.2-\$3.3 billion. In contrast, the market cap for Amazon during the same period varied from a high of \$23.4 billion in March 2000 to a low of \$5.1 billion in March 2001. It is also interesting to note that while Wall Street placed the highest market value on Amazon in March 2000, our customer value estimates

are near the lowest at that time. This is largely due to high acquisition cost and low margins in March 2000. Over the next few quarters, Amazon has been more aggressive in trimming its acquisition cost and improving its margin. Therefore, while the changes in market value indicate a decline in Amazon's intrinsic worth, our analysis shows an actual improvement in Amazon's performance.

**Ameritrade.** Market value of Ameritrade has decreased sharply from March 2000 to June 2001. Significant slowdown in online trading and declining margins are largely responsible for this trend. The drop in Ameritrade's value is also reflected in our estimates of its declining customer value that are driven largely by decreasing margins. For example, Ameritrade's quarterly margin per customer (based on trailing 4-quarter average) dropped from \$106 in March 2000 to \$84 in June 2001. However, Figure 4 shows that while both market value and customer value decline over time, market value is more volatile. Finally, we note that our model for forecasting number of customers did not converge for March, June, and September 2000 because the data show no inflection point up to September 2000 (see Figure 1). This is a problem common to all forecasting models, such as the Bass diffusion model. Traditional methods to overcome this problem include using Bayesian priors (e.g., Lenk and Rao 1990) or exogenous estimates of market size (e.g., Kim, Mahajan, and Srivastava 1995).

**eBay.** eBay's market value fluctuates from a low of \$8.9 billion in December 2000 to a high of \$23 billion in March 2000. Unlike Ameritrade, eBay's market value shows no particular trend, declining from March to December 2000 and then increasing after that time. Our estimates of customer value range from a low of \$1.2 billion to a high of \$2.9 billion. The change in our estimates of customer value over time is largely driven by the revised estimates of customers from the model as new data are added. As mentioned earlier, our estimates of customer value are consistently and significantly below eBay's market value.

**E\*TRADE.** Both the market value and customer value of E\*TRADE decline consistently over time. Our estimates of customer value track changes in market value reasonably well. Changes in value are largely driven by declining margin. Once again, customer value is relatively less volatile than market value.

In sum, our analysis shows that customer value tracks changes in market value over time, and more importantly it provides a more stable estimate of value.



# Managing Customer Value

Our analysis shows a strong link between customer value and firm value. A good metric for customer value is the starting point for better management of customers as assets. In this section we focus on two aspects: (a) how changes in acquisition costs, margins, and retention rates affect customer value of a firm, and (b) the relative importance of customer retention, a key component of the marketing function, and the discount rate or cost of capital, traditionally a focus of the finance function.

## Impact of Acquisition Cost, Margin, and Retention Rate

Table 4 shows how customer value changes with changes in acquisition cost, margin, and retention rate. Our results show a consistent pattern across all firms in our study. A 10 percent improvement in acquisition cost improves customer value by 1-2 percent. Improving margins, for example by cross-selling, improve customer value by about 10-12 percent. In contrast, improving customer retention by 10 percent improves customer value by 28-32 percent. These results are consistent with previous studies (e.g., Reichheld 1996).

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**Table 4. Impact of Improving Retention, Acquisition Cost, and Margins on Customer Value**

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	Customer Value (\$b)	% Increase in Customer Value for a 10% improvement in		
	Base Case	Retention	Acquisition Cost	Margin
Amazon	2.54	28.34%	0.51%	10.51%
Ameritrade	1.45	30.18%	1.19%	11.19%
eBay	2.11	30.80%	1.42%	11.42%
E*TRADE	1.89	29.96%	1.11%	11.11%

Base Case: 70% customer retention

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Interestingly, after the bursting of the dot.com bubble, Wall Street and many Internet firms started focusing on cutting acquisition cost. Demers and Lev (2001) explain this by showing that prior to the market's correction for Internet stocks, the market treated expenditures on both marketing and product development as assets rather than current expenses. They further find that in the year 2000, after the shakeout, product development expenses continue to be capitalized as assets but not marketing expenditures. Consistent with our study, and contrary to current market perception, they show that Web traffic metrics (e.g., traffic, loyalty) continue to be value-relevant.

We note two caveats for interpreting results of Table 4. First, we have not included the cost of improving retention or margin. Therefore, even though improvement

in retention has the largest impact on customer value, we cannot suggest that a firm should always improve its customer retention. In fact, using a game theoretic model, Shaffer and Zhang (2001) show that it is not advisable for firms to completely eliminate churning or customer defection. If a firm has 100 percent customer loyalty it may be underpricing or leaving money on the table. Second, our analysis ignores interactions among acquisition, retention, and margins. It is quite likely that inexpensive acquisition programs may attract customers with low retention rates. Recent studies (e.g., Thomas 2001) have provided methods to link customer acquisition and retention.

### Retention Rate and Discount Rate

Discount rate or cost of capital is a critical variable in evaluating net present value of any cash flow stream and, hence, for firm valuation. Therefore, it is not surprising that the finance community spends considerable effort in measuring and managing a firm's cost of capital (e.g., see Brealey and Myers 1996). In contrast, the marketing and business community has just begun to measure and manage customer retention. Its importance in firm valuation is even less evident. To compare the relative importance of customer retention and discount rate, in Table 5 we show how changes in these variables affect customer value for the firms in our sample. Our results show that while a 10 percent improvement in customer retention enhances customer value (and in turn firm value) by about 30 percent, a similar decrease in the discount rate increases customer and therefore firm value by only 3-4 percent. In other words, the retention elasticity is almost ten times the discount rate elasticity.

**Table 5. Impact of Retention Rate and Discount Rate on Customer Value**

	Customer Value (\$b)	% Increase in Customer Value for a 10% improvement in	
	Base Case	Retention Rate	Discount Rate
Amazon	2.54	28.34%	2.91%
Ameritrade	1.45	30.18%	4.17%
eBay	2.11	30.80%	2.91%
E*TRADE	1.89	29.96%	3.12%

Base Case: 70% customer retention

An alternative way to examine these effects is to assess the value of customers for a typical range of retention and discount rates. Finance literature suggests a typical range of discount rates as 8-16 percent (Brealey and Myers 1996). The range for retention rates varies depending on the type of company and industry. For example, retention rate for Harley Davidson is reported to be in the upper 90 percent. However, for most Internet companies (similar to companies in our sample) a typical range is 60-80 percent. Using these ranges, we re-estimate customer value for the companies in our dataset.

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**Table 6. Customer Value at Typical Retention and Discount Rates (\$ Billions)**

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**Amazon**

Discount Rate	Retention Rate		
	60%	70%	80%
8%	2.17	2.80	3.75
12%	2.00	2.54	3.29
16%	1.85	2.32	2.93

**Ameritrade**

Discount Rate	Retention Rate		
	60%	70%	80%
8%	1.24	1.61	2.23
12%	1.13	1.45	1.94
16%	1.05	1.31	1.72

**eBay**

Discount Rate	Retention Rate		
	60%	70%	80%
8%	1.71	2.37	3.32
12%	1.56	2.11	2.87
16%	1.44	1.91	2.53

**E\*TRADE**

Discount Rate	Retention Rate		
	60%	70%	80%
8%	1.56	2.08	2.92
12%	1.44	1.89	2.56
16%	1.33	1.72	2.29

---

Table 6 reports our results. Several interesting things emerge from these results. First, consistent with our results in Table 5, retention rate continues to have a larger impact on customer value compared to the impact of discount rate. For example, improving customer retention from 60 percent to 80 percent increases customer value for Amazon by  $\$2.93 - \$1.85 = \$1.08$  billion (for 16 percent discount) to  $\$1.58$  billion (for 8 percent discount). In contrast, improving discount rate from 16 percent to 8 percent increases Amazon's customer value by  $\$0.32$  billion (for 60 percent retention) to  $\$0.82$  billion (for 80 percent retention). Second, there is a strong interaction between discount rate and retention rate. Specifically, the impact of retention on customer value is significantly higher at lower discount rates. This suggests that companies in mature and low risk businesses should pay even more attention to customer retention. Third, the value of customers, and by implication the value of a firm, can almost double when we move from low retention-high discount scenario to high retention-low discount scenario. For example, at 60 percent retention and 16 percent discount, Amazon's customer value is  $\$1.85$  billion. This value almost doubles to  $\$3.75$  billion if retention rate changes to 80 percent and discount rate shifts to 8 percent. More generally, the retention rate matters more than is currently acknowledged.



# Conclusion

Customer lifetime value is gaining increasing attention in marketing, especially database marketing. In this paper we attempt to show that this concept is not only important for tactical decisions, but can also provide a useful metric to assess the overall value of a firm. The underlying premise of our model is that customers are important intangible assets of a firm and, like any other asset, their value should be measured and managed. Our paper builds on recent work in marketing in the area of customer lifetime value by extending it to the arena of financial valuation. We also build on recent work in accounting where the typical approach has been to regress current market value of a firm against tangible and intangible assets. Implicitly this approach assumes that the market is correctly valuing firms. Recent history for dot.com companies casts doubt on this assumption. In contrast, we estimate value of a firm's current and future customer base from basic principles and we use market value as a benchmark to compare our estimates. This makes our analysis more stable than the typical accounting approach, which is dependent on the vagaries of the financial marketplace.

We used data from four Internet firms in our empirical application. Our analysis reveals several interesting results. First, we find that our estimates of customer value are reasonably close to the current market valuation of three of the four firms. In contrast, traditional valuation methods have difficulty valuing these firms since most of them have negative earnings. These results show that customer-based metrics are still value relevant. Although Wall Street embraced these measures during the peak of the Internet bubble, it may be wrong to ignore them after the crash. Second, unlike the wide fluctuations in market value of these firms over the last year, our estimates of customer value are quite stable over time since the patterns we estimate do not change radically with a new data point. This suggests that our approach may be tapping into intrinsic firm value.

Third, consistent with previous studies in marketing, we find that retention has a very large impact on customer value. Specifically we find that 10 percent improvement in retention increases a firm's value of its customer base by about 30 percent. In contrast, a 10 percent improvement in acquisition cost improves value by only 1 percent, and a 10 percent improvement in margin increases value by about 11 percent. Interestingly, the market treated marketing (and customer acquisition) expenditure as investment before the Internet crash but treats these expenditures as expenses now. Our results indicate that cutting acquisition costs may not be the most effective way to improve value. Further, to the extent that customers are assets, the market may be incorrect in treating customer acquisition costs as current expenses rather than treating them as investments. Fourth, we find that the retention rate has a significantly larger impact on customer and firm value than the discount rate or firm's cost of capital. Financial analysts and company managers spend a considerable time and effort to measure and manage discount rate because they understand its impact on firm value. However, our results show that it may be



more important for senior managers and financial analysts as well as marketing managers to pay close attention to a firm's customer retention rate.

We acknowledge several limitations of our study. We had several quarters of data that enabled us to provide a good estimate for the number of future customers—an important input to our valuation model. The accuracy of this model would be hampered significantly in the early stages of a firm when there is only limited information. This is similar to forecasting demand for an innovation with only a few data points. Advances in diffusion modeling suggest that in these cases it may be desirable to use a Bayesian approach where previous studies can provide informative priors. Such an approach would be a useful extension in our case as well. A second limitation of our study is the assumption of constant margins and acquisition costs in the future periods. We used this assumption because we did not find any discernable patterns in our dataset. However, a detailed examination of this issue would be a useful next step. We also ignored linkages between acquisition costs, retention rates, margins, and number of customers. In reality we would expect a strong correlation among these factors. A model that captures these relations would be very valuable.

In sum, our paper provides a starting point for customer valuation and its relationship to the value of firms. We hope that our work sparks more interest in this area and also brings closer together the fields of marketing and finance.

# Notes

1. For example, consider a situation where annual margin from a customer is \$100, retention rate is 80 percent, and discount rate is 12 percent. Using Equation 2 we estimate the lifetime value of this customer to be \$250. An alternate approach would suggest that 80 percent retention rate implies that this customer is expected to stay with the company for five years. The present value of the \$100 stream of income for five years is \$360, an overestimate of about 44 percent.
2. We recognize that retention rates may not be constant. However, we make this simplifying assumption for the ease of modeling and empirical application.
3. Four-quarter average, or trailing twelve month (TTM) as the financial community calls it, is also a common practice among financial analysts.
4. A firm has already incurred acquisition cost for its existing customers. Therefore this cost is sunk and is not considered in valuation.
5. Since we use quarterly data for our empirical analysis, we convert the annual discount and retention rates to their quarterly equivalent. For example, a 12 percent annual discount rate is equivalent to a 2.87 percent quarterly rate, i.e.,  $(1+0.0287)^4 = (1+0.12)$



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# Further Reading

Other MSI working papers on the topic of metrics include:

- 01-108      **Driving Customer Equity: Linking Customer Lifetime Value to Strategic Marketing Decisions**  
by Roland T. Rust, Katherine N. Lemon, and Valarie A. Zeithaml
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## ROI Valuation



May 2002

### What Are Your Customers Worth?

**Not all customers are created equal. You need to know their lifetime value, then compare the cost of acquiring, serving, and keeping them.**

By [Charles Phillips](#)

Most senior executives say their companies should be customer-focused. Yet in times like these, when budgets are tight, some of the first expenditures to be cut are for marketing and IT, both of which are supposed to help companies better understand and serve customers.

Professors Elizabeth Demers of the University of Rochester and Baruch Lev of New York University confirmed these conclusions in a study last year. They found that while investors implicitly capitalize product-development and R&D expenditures, considering them assets that are potentially useful over a long period of time, they expense marketing and customer-acquisition costs.

This apparent contradiction stems too often from the fact that business strategies in general and marketing in particular don't look at their customers in terms of quantifiable value, so they don't develop metrics to measure the return on investment in terms of the value of their customers.

It's still typical for most companies to organize marketing plans around the 4Ps: product, price, promotion, and place--the traditional view espoused in most marketing textbooks. In addition to leaving out the customer, this focus makes it difficult to measure ROI for marketing activities, and therefore makes getting funding for them difficult. The measurements that do exist tend to be "soft" metrics--say, an average customer-satisfaction rating that moves from 4.1 to 4.5 on a scale of 1 to 5, where 1 is not at all satisfied and 5 is totally satisfied. That's a nice jump, but it's hard to convince senior management that it justifies an investment of, say, \$25 million. Most managers simply don't know how much a unit improvement in customer satisfaction is worth in hard-dollar terms.

The same can be said of almost any traditional measure of marketing effectiveness, such as brand awareness or image. We argue that there are ways to show the value of these investments if you use the concept of customer "lifetime value" to design customer-based strategies and to measure their ROI.

The lifetime value of a customer is the present value of all future profits generated from that customer. In a simple theoretical example, if the customer-retention rate is 100%, that customer generates a certain profit margin for each period measured. In this case, the lifetime value of this customer is simply the present value of the future income stream. This is identical to the finance

approach of valuing perpetuity.

But there are two opposing forces that affect margins over time. On one hand, customers buy more when they stay longer with a company and become more comfortable doing business with it. However, increased competition over time, as well as a changing customer mix, combine to reduce margins. The customer mix changes because a company starts by attracting profitable customers and later adds less-profitable customers.

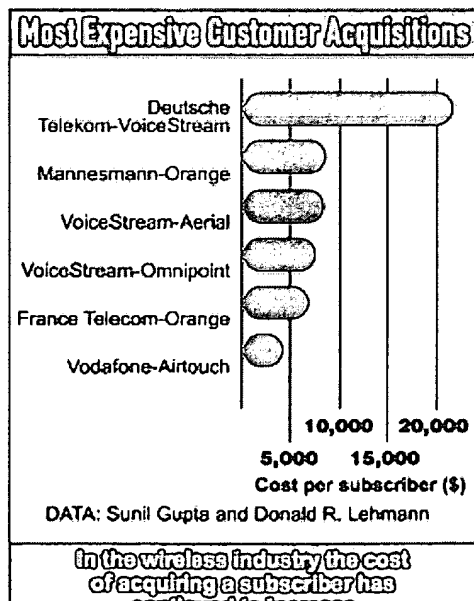
Although it's possible to build sophisticated models for estimating customer lifetime value, a useful simple estimate is the annual profit margin of a customer multiplied by a margin multiple. This multiple typically ranges from 1 to 5, and in most cases, an optimistic estimate for this multiple is 4. In other words, if a customer provides a margin of, say, \$100 per year, the lifetime value of this customer is roughly \$400. This simple idea can lead to significant insights for decision-making, such as how much to invest in customer-data collection and analytics (see sidebar, "Relevance, Not Abundance, Makes Data Valuable").

Lifetime value differs from the traditional present-value or discounted-cash-flow approach by focusing on individual customers and recognizing that customers don't stay with a company forever. It, therefore, accounts for customer retention and defection.

### Acquiring customers

Because growth is critical for most companies, consistent gains in customers, market share, and revenue are typically the yardsticks for success. But if the value of a customer over his or her entire life is, say, \$400, it doesn't make sense to spend more than that to acquire this customer. Yet this simple, intuitive notion is commonly ignored in the pursuit of growth. This was most evident during the height of the Internet bubble, when companies were acquiring customers regardless of the cost. CDnow Online, for example, spent an average of about \$40 to acquire a customer even though our estimates suggest that the lifetime value of its typical customer was roughly \$25.

Such disparity has been even more dramatic in the telecommunications industry, where the potential convergence of broadband, cable, and telephone enticed several companies to spend enormous amounts of money to acquire other companies. AT&T spent a staggering \$110 billion to acquire TCI and Media One to gain access to their 25 million customers—\$4,200 to acquire each customer. Simple analysis shows that even in the most optimistic scenario, the lifetime value of this customer is below the acquisition cost. And AT&T's cost pales compared with what the wireless companies spent on acquiring customers (see chart, below). Perhaps the telecom industry would not be in such a tough situation today if it had paid more attention to customer lifetime value. But these companies fell victim to the same gold-rush, acquire-customers-at-all-costs mentality that befell hundreds of dot-com startups.



The correct focus is not on sheer numbers of customers, but on the right customers—those with the greatest lifetime value. That leads to a focus not on growth for its own sake, but on profitable growth. Credit-card issuer Capital One has consistently aimed at attracting the most profitable customers. Based on its most recent financial statements, we estimate that its average customer-acquisition cost is \$55, while the lifetime value of its average customer is more than \$500.

Similarly, online-payments technology provider PayPal, launched in October 1999, quickly grew from 10,000 users at the beginning of 2000 to more than 10.6 million users by September 2001. All the while, PayPal kept a keen eye on its customer-acquisition costs. These dropped from \$3.29 per account in September 2000 to just 13 cents per account in September 2001, according to PayPal's financial statements. This may partially explain Wall Street's enthusiasm for PayPal and the \$1 billion market value on its IPO on Feb. 14. PayPal was

widely considered the first successful initial public offering by an Internet company after the bubble burst.

Many credit-card companies evaluate their customers based on their credit-worthiness. The idea is simple and intuitive: Good customers are those who repay their credit-card bills, so the company can minimize its risk of bad debts. This one-dimensional focus, however, misses an important point. One of the most lucrative parts of the credit-card business is the interest charged to customers who carry a balance. Therefore, customers who pay their bills in full every month—the best customers on the credit-worthiness measure—may not be as profitable as customers who carry a balance. In their zeal to minimize risk, many credit-card companies may miss a good opportunity.

#### Firing the customer

Customer focus does not imply that a company should cater to the needs of every single customer. The cost to generate revenue and growth varies dramatically across customers. Peter Carroll and Sanford Rose's study of U.S. banks in the *Journal of Retail Banking* found that in the early 1990s, only 30% of a typical bank's customers generated profit for the bank over the long run. In other words, 70% of customers were destroying value. Several insurance companies found themselves in a similar situation a few years ago when they realized, after several natural disasters in Florida, that their push to grow and add customers resulted in too many customers in disaster-prone areas.

For long-term profitability, it's imperative that these companies either convert unprofitable customers to a profitable status or "fire" them. That idea runs counter to the intuition of many managers trained to think that adding customers, increasing sales, and gaining market share are inherently good. The lifetime-value perspective suggests that market share and revenue growth may be the wrong metrics to use for gauging success.

"All animals are created equal," wrote George Orwell in *Animal Farm*, "but some are more equal than others." This basic idea holds for customers as well. All customers are important, but some are more important than others. Given that customer service is expensive, it makes logical sense to provide a high level of service only to high-value customers. This idea of "service discrimination" is similar to the concept of price discrimination that we see in the airline business and other industries.

Companies in many industries are beginning to implement such a tiered-service strategy. The best clients of Sears Roebuck get to choose a preferred two-hour time slot for repair calls while regular customers are given a four-hour slot. Similarly, Maytag provides premium service to its high-end customers that includes toll-free hot lines and personal-account reps.

This wouldn't be possible without understanding the long-term profitability of each customer, or at least each customer segment. Although such service discrimination can generate a backlash from customers, they may accept the adage that "you get what you pay for," especially if the policy is clearly defined and communicated. Price discrimination backfired at Amazon.com a few years ago because customers felt the company sprang the change upon them without adequate explanation. But airline customers readily accept the fact that last-minute tickets cost more, because people understand the value to the airlines of filling their flights in advance.

#### Value-based segmentation

Differences in customers' lifetime value provide a new and interesting way to segment them. With the increasing availability of customer-based information as well as sophisticated CRM software and analytics tools, businesses can rank their customers by long-term profitability. In this world, segmentation and one-to-one marketing are no longer based on demographics or customer preferences alone, but are complemented with an assessment of customer profitability. Fidelity Investments, for example, classifies its customers into more than 10 segments based on their profitability to the company.

Managers too often forget they have a leaky bucket from which old customers continually spill. Some studies show that the average customer-retention rate in the United States is about 80%. Sounds pretty good, right? But look at it another way, as a 20% annual defection rate, and it becomes apparent that a typical U.S. company, in theory, could lose the equivalent of its entire customer database every five years.

Given the increasing cost of customer acquisition, a focus on retention is highly desirable--and improvements in retention rates represent huge payoffs. In research concluded this year, we found that while a 10% reduction in acquisition costs improves the overall value of the customer base by only 1%, a 10% improvement in customer retention increases value by 30% (see chart below).

#### Focus On Customer Value

Impact of acquisition cost, profit margin, and retention rate.

	Customer value (in \$B)	% Increase in customer value for 10% improvement in:		
		Retention	Acquisition	Cost margin
<b>Amazon</b>	\$2.54	28.34%	0.51%	10.51%
<b>Ameritrade</b>	\$1.45	30.18%	1.19%	11.19%
<b>eBay</b>	\$2.11	30.80%	1.42%	11.42%
<b>E-Trade</b>	\$1.89	29.96%	1.11%	11.11%

Base case: 70% customer retention, 12% discount

Data: Sunil Gupta and Donald R. Lehmann; company information

A large number of companies have introduced loyalty programs in an attempt to improve customer retention. For maximum return, these programs should discriminate between low- and high-value customers. Centura Banks of Raleigh, N.C., now rates its 2 million customers, with top customers getting special attention from service reps and senior management, including an annual call from the CEO. This has reduced customer attrition by 50% in the last five years and has trimmed the number of unprofitable customers by 6%.

Lifetime value also provides a metric to assess the effectiveness of various marketing programs. Consider the hypothetical scenario of a company that has 10 million customers with 70% customer retention and an average customer margin of \$100 per year. The marketing director believes she can improve customer retention to 75% by providing better customer service. To achieve that superior customer service, however, she needs to invest \$100 million in CRM software, other supporting IT, and better training for sales reps. Senior management, of course, will demand to know the ROI of that spending.

While such investments are complex and it's generally difficult to get a precise ROI estimate, the lifetime-value framework can provide useful guidelines. Under the company's current situation, the lifetime value of a customer is a \$100 margin, multiplied by a margin multiple of 1.67. The margin multiple is determined by dividing the customer-retention rate by the result of 1 plus the discount rate minus the retention rate, where the discount rate is the company's cost of capital. For this example, we assume a 12% discount rate and a 70% retention rate, which yields a margin multiple of 1.67. So the customer's lifetime value is \$167, and the total value of the entire 10 million customers is therefore \$1.67 billion. If the retention rate goes to 75%, the lifetime value of a customer improves to \$203, and the value of the customer base increases to \$2.03 billion, an increase of \$360 million. In this example, a \$100 million investment has a 360% return.

For many companies, a common growth strategy is to form alliances with others to gain access to their customers. But the economics of these deals can sour when companies fail to consider the lifetime value of those customers.

Consider the contrasting examples of medical Web site Drkoop.com and flower company Gerald Stevens. Two months before going public, Drkoop.com agreed to pay Disney's Go network \$58 million over three years to become the exclusive provider of health content to Disney's related sites. A month later, Drkoop.com announced an even more dramatic deal when it pledged to pay AOL \$89 million over four years to be a premier provider of AOL's health-care content. Clearly, Drkoop's aim was to quickly build a customer base by gaining access to the vast number of Go and AOL customers. But \$150 million was far too much to spend. The bottom line: Drkoop.com went out of

business long before the full term of those deals.

#### Thanks, but no thanks

Flower company Gerald Stevens, founded in 1998, also was determined at first to build a powerful presence on the Net. It made deals with CNN.com, Lycos, and Yahoo, in addition to starting its own Web site. Yet Stevens declined a deal with AOL because AOL wanted \$75 for each of its several million customers. Was Stevens right to turn down the deal?

The company reportedly estimated that, on average, Internet customers would make three purchases over two years, making their lifetime value \$60—well short of the \$75 acquisition cost through AOL. By contrast, Stevens estimated that the average brick-and-mortar customer buys flowers four times per year. The company estimated the acquisition cost of that customer to be about \$50, with its lifetime value in the hundreds. In other words, by estimating lifetime value, Stevens made the right choice—favoring a brick strategy over a click deal. And it made that decision at the height of the dot-com mania.

To implement customer lifetime value as a corporate mandate throughout customer service, finance, IT, sales, marketing, and other departments, a company should take the following steps:

- **Align business units by customers, not by products.** Several decades ago, Procter & Gamble introduced the concept of product managers, and that has become the mainstay of most businesses. Yet our view of customer-based strategies suggests that companies should organize around customers rather than products. A bank should not have one manager for checking and savings accounts, another for investments, and a third for credit cards. Such an organizational structure makes it difficult to comprehend the total value of a customer and therefore can't capture important opportunities such as cross-selling.

Businesses should have customer managers, not product managers. The annual marketing plan should change its focus from product and price to customer acquisition, retention, and expansion.

- **Measure performance, not past investment.** Marketing and IT budgets' inability to show clear ROI is one of the key reasons why they're among the first to get cut. All too often, managers' requests for next year's budget are based on their previous year's budget, rather than on its return.

A customer-based strategy can rectify this. It's therefore imperative that appropriate measurement systems be put in place. Market share and revenue growth are not enough. Customer-by-customer profitability and customer-retention rates are much more related to overall profitability. Those are what you should measure.

But don't overcomplicate the measures. No measure will be 100% accurate, and systems that strive for total accuracy tend to become too complicated. If only three people in the company can fully understand what's being measured, it won't do much good. It's better to be vaguely right than precisely wrong.

- **Change the culture or these systems won't work.** Make your reward systems consistent with customer-based strategies. Insurance companies typically reward independent brokers for capturing customers, not keeping them. Who can blame a broker with a poor retention rate when he says, "I'm only in charge of acquisition"? Brokers often may actually have more financial incentive to get customers, lose them, and then reacquire them.

Companies also need to disseminate the value of customers within the business. Most important, customer-contact personnel must understand the importance of their role and receive adequate training. Putting minimum-wage workers in these positions without appropriate support and training is a sure-fire formula for failure.

Customer-contact employees are at the heart of any customer-based strategy. This doesn't take fancy CRM tools. It's as simple as Domino's Pizza telling its franchisees that the lifetime value of the average customer is more than \$1,000. So when that customer says he doesn't like his \$10 pizza and

wants a new one free, the lifetime-value formula is simple: Make him another pizza. ♦

*Sunil Gupta is Meyer Feldberg professor of business at Columbia Business School. Donald R. Lehmann is George E. Warren professor of business at Columbia Business School. Gupta and Lehmann are co-authors of Marketing Research (Addison-Wesley, 1997).*

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# **The One to One Fieldbook**

**THE COMPLETE TOOLKIT FOR  
IMPLEMENTING A 1TO1  
MARKETING PROGRAM**

**Don Peppers,  
Martha Rogers, Ph.D.,  
and Bob Dorf**



**New York London Toronto Sydney Auckland**

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- If your product is complicated to use, requiring a detailed instruction manual or perhaps different sets of application notes, one way to secure end-user identities is to offer such complicated instructions in a simplified, individually tailored format: “Just complete the questionnaire telling us how you will be using our equipment and we’ll send you a shorter, simpler, more specific version of the application notes.”
- If your product needs periodic maintenance or calibration, or if it needs regular service for any reason, you can use these occasions to identify end users.
- Consider equipping your machine with Web-enabled connectivity: “Install the machine, connect it to your LAN, and we’ll be able to monitor and maintain the equipment for you, remotely.”
- Ask for the machine to be “registered” upon installation, by the primary end user. You can accept registrations by phone, mail, or e-mail, but the important thing is to ensure that an end user sees some type of genuine benefit from registering the equipment.
- Include a promotional benefit for the end user. Ship your machines out with offers for catalogues of new equipment or industry best-practices information. Or include a free subscription to a user magazine.
- Build some intelligence into the machine itself that will recognize end users individually and allow them to make more productive use of the equipment.

One Hewlett-Packard division sells a complex microcircuit testing system costing half a million dollars or more. It can take anywhere from several minutes to half an hour for an engineer to adjust all the system’s

## Differentiate Your Customers

## Identify

## Differenz: mit

## Interact

## Customize

**T**reating different customers differently. In order to do this, you have to know what makes one customer different from another. Customer differentiation is perhaps the most powerful of the four one-to-one implementation principles, because it sets the stage for how the enterprise actually behaves toward an individual customer.

Differentiating customers is such an important part of a 1to1 relationship strategy that we've already written extensively about it. In Chapter Four of *The One to One Future*, then again in Chapters Two, Three, and Five of *Enterprise One to One*, we develop the idea of customer differentiation into quite a detailed theory.

In this chapter of the *Fieldbook* we need to provide a toolkit, not just

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Customers are driven by their needs to the enterprise. The key differentiator is what the customer wants and needs relative to other companies. Allocating more resources to meet these needs is the basis for maintaining loyalty.

So the customer stages, in this order:

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2. Differentia

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for understanding the theory of customer differentiation but also for putting the theory into practice. Our goal is to show you practical ways to use information about your customer base to differentiate your customers, as this will be critical to benefiting from building a 1to1 enterprise. So the first half of this chapter consists of a compact, summary-level review of the principles involved in customer differentiation, and the last part is a set of suggestions for using information about your customer base to put these theories into practice.

Customers are different in two principal ways—they have different values to the enterprise, and they need different things from the enterprise. The key differentiation issues, in other words, are what the customer wants and what the customer is worth. The *value* of a customer, relative to other customers, allows the enterprise to prioritize its efforts, allocating more resources to ensuring that more valuable customers remain loyal and grow in value. And catering to what a specific customer needs is the basis for creating a relationship and winning the customer's loyalty.

So the customer differentiation process should take place in two stages, in this order:

1. Rank your customers by their value.
2. Differentiate them by their needs.

That is, use your first effort to understand the different values your customers have. Then differentiate them by what they need, starting with your most valuable customers.

*Actual value of a customer.* The actual, current value of a customer to your enterprise is equal to the net present value of all future profit from that customer. The term "all future profit" includes the margin your company earns on future sales of individual products and services to the customer, reduced by any customer-specific servicing costs. In addition, this term is meant to include such factors as the profit earned on referrals made by a customer, the monetary value of collaborative assistance from the customer in designing new products or services, the

## Customer Differentiation: The Theory

benefit of the customer's own reputation among other current and potential customers, and so forth.

The figure you would come up with if you were able to factor in all these variables is the customer's *actual* value, or lifetime value (LTV). You can think of it as the customer's "run rate" with your firm.

*Strategic value and share of customer.* There's one other critical element of the customer's value: the customer's growth potential, or *strategic* value. Strategic value is the additional value a customer could yield if you had a strategy to get it. Think of a banking customer with a checking account and savings account. Every month the customer provides a certain profit to your bank, and the net present value of this continuing profit stream represents the customer's actual value to you. But the home mortgage that same customer has at a competitive bank represents strategic value—potential value you could realize if you had a proactive strategy to obtain it. Knowing both actual and strategic value allows you to calculate your share of customer. Obviously, from a purist's standpoint, the same level of detail could drive the calculation of strategic value as goes into calculating actual value. In fact, there are even more variables to consider in calculating a customer's growth potential than need to be factored into a calculation of the customer's expected run rate and current LTV.

*"Good enough" is enough.* Of course, no one builds a successful business by remaining a purist. In the real world, you'll need to take shortcuts, make compromises, and settle for "good enough" measurements of customer value. It is useful to think about a customer's LTV, but recognize also that LTV itself is such a theoretical idea that no one ever has enough information and predictive insight to calculate it precisely. Instead, you create a financial model for it, try to get a better and better handle on it, and, in the end, settle for a good-enough "proxy variable"—a substitute variable.

A proxy variable is good enough if it allows you to rank your customers from top to bottom, roughly in order of their value or importance to the enterprise, because ranking your customers lets you set objectives and prioritize your efforts with respect to individual customers. So

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don't spend time trying to calculate some aspect of customer value that won't be very important in the end. For example, very few business managers will actually factor in the value of customer referrals when calculating LTV—unless, for their particular business, referrals are extremely important as an element of value. (A home builder, for instance, dealing in a series of one-time-only customer relationships, might consider it important to estimate how enthusiastically a customer will refer others.)

*Categorizing your customers by their value.* After ranking your customers, the next step is to identify which ones fall into each of three distinct types of value—MVC, MGC, and BZ. These “value types” represent customers for whom different objectives and strategies should apply:

**MVCs:** *Most Valuable Customers* are those with the highest LTVs. They represent the core of your current business, and your primary objective should be *customer retention*. The strategies for retaining customers range from customer recognition to quality improvement, loyalty purchasing, and Learning Relationships.

**MGCs:** *Most Growable Customers* are those with the most unrealized strategic value. They usually have lower LTVs than MVCs, but they often have a higher growth potential. These customers could be more profitable than they are now, and your primary objective is *customer growth*. Growth strategies are more expensive than retention strategies. At many businesses, the most important customer-growth strategy is cross-selling, while in other business situations, the most important growth strategy is increasing the customer's longevity.

**BZs:** *Below Zero* customers are those who will probably never earn enough profit to justify the expense involved in serving them. Every business has some of these customers, and your strategy should be to create incentives either to make them

more profitable or to encourage them to become someone else's unprofitable customers.

Not all customers will necessarily fall into one of these value types, but to the extent that you can identify the customers that do, you can set your objectives and strategies for them. The process might sound complicated, but there are, in fact, many practical examples of companies that use a value-based ranking of customers to set different objectives for different types of customers:

- FedEx calculates a profitability metric for *each* of its customers, using the information to negotiate price increases with Below Zeros or to close their accounts. By concentrating its efforts on its most profitable customers, FedEx engineered an impressive burst of profit growth and sent its stock up to impressive new heights.
- Roden Electrical Supply, a full-line distributor of electrical products and services based in Knoxville, Tennessee, tiers its customers by the most recent year's actual sales volume and then appends third-party information to assess strategic value. Margins are often tight in the wholesale distribution business, and there is a constant tension between meeting customer needs and generating a fair profit, which makes it all the more important for wholesalers to differentiate their customers carefully. The sales force uses customer-tiering information to identify particular customers that deserve extra attention or services.
- In 1988, Custom Research Inc., a Minneapolis-based consulting and research business, began focusing *exclusively* on its MVCs—high-volume, repeat customers in the Fortune 500 category. Within a year, the firm had trimmed its overall client list in half, to sixty-seven clients (that's a large number of BZs being jettisoned), while increasing the population of MVCs from twenty-five to thirty-four. In implementing this new strategy, CRI has reaped extremely high retention rates and has doubled its revenues. It has also won the enthusiasm of its clients—an intangible asset that

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should not be overlooked. Indeed, more than 60 percent of CRI's new business now comes via referrals from its existing clients. In 1996 CRI became the smallest firm (120 employees) ever to win the Malcolm Baldrige National Quality Award.

- Milwaukee's Harry W. Schwartz Booksellers launched the "Schwartz Gives Back" (SGB) program, to strengthen customer loyalty while benefiting a number of local causes. Customers who join SGB can designate one nonprofit organization from a list of nineteen. Their designated charity then receives 1 percent of the sale every time the member purchases a book. Meantime, Schwartz is able to identify SGB members in the store and track their purchases, determining not only which categories of books are favored by each customer but also which customers are most profitable. In addition to its monthly SGB newsletter, Schwartz now focuses its customer-recognition mailings on the top 5 percent of its list (the MVCs), and has achieved a remarkable 70 percent-plus redemption rate within thirty days when coupons are provided. The SGB program now represents one third of Schwartz's overall retail sales, and SGB members tend to spend 50 percent more per visit than nonmembers.
- Boston's Charles Hotel in Harvard Square identified its MVCs as guests who stay at the hotel six or more times per year and spend a certain amount of money during these visits. The hotel sent a letter to this group of MVCs, asking if they'd like to belong to The Charles Hotel's Distinguished Guest Program. In order to serve its Distinguished Guests appropriately, the hotel has streamlined check-in procedures so no stop at the front desk is necessary. It also assigns a room based on the individual's past preferences, places a special robe with the guest's name on it in the room, and offers preferential seating in its restaurant.
- Charles Schwab differentiates its customers based on their trading activity and investable assets. The company is especially attentive to a group it calls the "Schwab 500." These are individuals who make more than forty-eight trades a year. They are assigned a spe-

cial team of six to eight people who get to know them individually and help them research and execute trades appropriate to their individual objectives.

*Differentiating customers by their needs.* Once you rank your customers by their value, the next step is to differentiate them by what they need, starting with your most valuable customers.

A successful Learning Relationship with a customer is built on changes in the enterprise's behavior toward that customer. The customer tells you what he needs, you tailor your service or customize your product to meet this need, and then, with every interaction, your service gets closer to that customer's individual preferences. Knowing what your customers need—understanding their individual preferences and priorities—is crucial to building a 1to1 enterprise.

*Community needs.* The preferences or priorities one customer has in common with a set of other customers can be thought of as "community needs"—needs that are shared by a community of customers. If you run a bookstore, for example, you might notice one type of customer who tends to read fiction and another type who reads biographies. The "fiction" community and the "biography" community each need something different from your bookstore, but the customers within each community share a common need.

Knowing a customer's community needs allows a business to anticipate what the customer wants—sometimes even before the customer knows it herself. A biography of Winston Churchill, for instance, might be of interest to someone who enjoys biographies; however, it would probably be of little interest to someone who prefers fiction. If, by interacting with a few of your biography readers, you learn that this particular biography is quite good, then you could recommend it to another biography reader, even before that customer learns that the book is available.

*Individual needs.* The other kind of need—the "individual need"—is one that a particular customer does not share with any other customers, or at least not with any significant number of other customers. The florist who sends you a note about your mother's upcoming birthday, re-

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reminding you that you sent roses last year, is catering to an individual need, not a community need. The date your mother celebrates her birthday cannot be "projected" onto any particular community of customers. Knowing your mother's birthday will give the florist an advantage in selling more flowers to you, not to any other customer. Nevertheless, it is useful to learn and remember a customer's individual needs, if only to save the customer the time that would otherwise be needed to explain them again and again.

Customer differentiation works because it allows you to treat different customers differently, based on information you have about each individual customer's value and needs. But it's important to recognize that usually a business will already be treating different customers differently, at least to the extent that the business serves distinctly different customer bases. A business that sells to small firms as well as to large enterprises, for instance, is likely to have different sales strategies for these two types of customers, perhaps executed in different channels with different sales forces. So the first practical step in analyzing your customers by their differences is to partition your customer base into its constituent elements.

*Partition your customer base.* If you sell to both business customers and consumers, then you almost certainly have two different sales operations. Business customers might be served by a direct sales force, while consumers get their products through retailers, or maybe via direct mail or telemarketing. Meanwhile, within the set of business customers you might have several subsets, based either on the types of businesses you sell to or on the types of products and services they buy. If you sell computer equipment, for example, you may have one type of sales effort for simple, equipment-only sales, while another sales process is for larger, more complex sales of systems and services.

If you want to differentiate your customers by value and needs, you must first decide what the different elements of the base are and then partition your overall customer base into these different subsets in order to examine each individual subset. Eventually you'll have to create a mechanism for recombining these elements and viewing the enter-

### **Customer Differentiation: From Theory to Practice**

prise's "big picture." But for now the only reasonable way to think about customer differentiation is to start by comparing apples to apples.

There are no hard-and-fast rules explaining how to divide up your customer base. You don't actually have to partition it at all if it doesn't make sense to do so. But it definitely makes sense whenever you sell to customers who are different enough to merit different sales channels or marketing plans, and often it makes sense even though the sales channel or marketing plan is the same. If your customer base is characterized by a particularly steep value skew (with a relatively small number of high-value customers accounting for a disproportionately large portion of total customer value), then it is likely that customers with widely different values will exhibit different behaviors, as well as different levels of sensitivity to your enterprise's initiatives. An airline could reasonably expect its very frequent business fliers to respond differently to its marketing initiatives than infrequent business fliers would. So the airline might first look at business travelers and leisure travelers as two separate parts of a customer base. And even though business travelers are sometimes also leisure travelers, each individual will fall into only one group—the group that will help the enterprise serve that customer better overall. Once the airline has grouped business travelers and leisure travelers, it might then look at business travelers and think about very frequent fliers and not-so-frequent fliers as separate subsets of customers.

*Create a spreadsheet model of customer value.* For each separate part of the customer base, create a spreadsheet model of a customer's possible life cycle with your firm. This book is not designed to be a tutorial on financial modeling, but the best type of spreadsheet would represent a picture of the "trajectory" through your business of the "average" customer in each different customer base you've identified. You should start with the customer's initial acquisition and continue to the customer's eventual departure. Add up the profits and costs of this customer's trajectory, discounted appropriately for net present values, and you can derive a calculation of the typical customer's LTV. (Some sample spreadsheets for different businesses are available for downloading at the *Fieldbook* Web site.)

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For each customer base being modeled, some of the factors that should be considered in a calculation of customer value are:

- a. Initial customer-acquisition cost
- b. Cost of servicing (both an allocated fixed cost and a variable, per-customer cost)
- c. Profit from sales of products across all divisions and operating units
- d. Profit from sales of continuing services
- e. Profit from referrals of other customers
- f. Likelihood and magnitude of volume growth or increased profits
- g. Predictors of loyalty or attrition
- h. Related customer values (sister divisions, relatives, colleagues)
- i. Creditworthiness or likelihood of default
- j. Dummy variable to account for prestige, influence, or nonquantifiable benefits or costs

How do you decide what numbers to plug in to your model once you've created it? You plug in whatever numbers are (1) important to the calculation and (2) reasonably predictable and understandable. Predicting these variables is a matter of science and art. The best single predictor of a customer's future behavior is his past behavior, so if you sell to a customer base of millions of consumers, and you have millions (or billions) of data points in your customer database, then your model might be very statistically sophisticated indeed. This is the science part.

On the other hand, your customers' past behavior is already history, and here you are trying to predict the future. So you have to use common sense as well. The more dialogue you have with customers, the more you'll be able to enhance the quantitative model of a particular customer's past behavior by incorporating your more subjective insights into the customer's future.

This is particularly true when it comes to trying to assess a customer's strategic value. The best source of information on a customer's growth potential is the customer's own assessment of his business. Thus, when a salesperson calls on a customer, one of the most important discus-

sions she can have with him is a review of his upcoming spending plans, his budget for the next year, or his willingness to deal with her company again. In this type of discussion, the salesperson is probing the customer to gain a better understanding of his strategic value. But the real question is this: Will the salesperson's firm *capture* the results of this probing conversation in its customer database?

Customer dialogue and subjective evaluations of different customers are even more important if the type of business you operate isn't amenable to spreadsheet modeling at all, or if it's impossible to quantify a customer's "value," *per se*. Nonfinancial elements of customer value are more important if what is being examined is a not-for-profit enterprise or a profession such as health care or a governmental entity.

*Rank customers by their importance to the enterprise.* If a spreadsheet won't capture your customers' value accurately, or if you have a business in which the "value" of a customer is itself a difficult idea to capture, then you'll need to create a different method for ranking your customers.

Professions, for instance, often deal with "customers" whose value is diminished as the professional becomes successful. If you're a doctor charging patients fifty dollars per visit, then the longer a patient remains ill, the more monetary value that patient will have for your practice. This is, of course, why we call medicine a "profession" to begin with—because the doctor's own professional responsibility is to make patients better, regardless of any crass business implications. But what this means for the 1to1 enterprise is that there really are some businesses where it just doesn't make sense to rank customers by their monetary value.

One way to prioritize your customers in this kind of situation is to replace the word "value" with "importance." Ask yourself how *important* each customer is to the enterprise's success. Rate your customers on an importance scale, from 1 to 5, if necessary.

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about metals and plastics. Instead, it would be better for the salesperson to know about the kinds of tapes, chemicals, and adhesives used in furniture manufacturing and the safety products appropriate for a furniture plant. This would allow 3M to become more and more focused on the customer's processes and needs, not only selling a wider variety of its products and earning a higher share of customer, but probably doing so at a lower cost of sales as well. Certainly, it would make 3M easier to do business with.

For customer data to be useful, it must generally be digitized and found in a single location. And most businesses already have more of this kind of data than they use. The "front screen" of a simple contact-management database like *GoldMine* will often contain more data than a company can act on, operationally, each day.

The real challenge in building a 1to1 enterprise is evaluating and understanding the data available to you already, and then deciding how to take action based on it. The kind of information we're talking about falls into four principal categories:

#### 1. *Current Facts and Figures*

Start by just lining up the facts and figures you already have on your customers. You'll almost certainly be able to draw some useful conclusions. This kind of information includes:

- Sales figures, per customer: by month, year-to-date, with comparisons to prior periods
- Products ordered: by item or SKU number, by category, by sales volume
- Ship-to locations: number of customer locations, units, or subsidiaries
- Purchase frequency
- Service/repair frequency: by product, by location, by incident type
- Payment and credit history: timeliness, creditworthiness, credit limits

**Customer  
Differentiation:  
Practical  
Information,  
Practical Decisions**

## 2. *Imputable and Computable Customer Data*

All too often companies fail to recognize the data "hiding behind" their current facts and figures. At the Sands Casino in Atlantic City, for example, databases capture the dates a customer visits and the amount of money he puts at risk (known as "handle" or "drop")—both in static, "flat file" data fields. But further analysis of that data proves far more enlightening, providing such insights as whether individual customers have been visiting the casino with increasing or decreasing frequency and whether they put more or less money at risk on each visit. The database shows whether they gamble on weekdays or weekends, in-season or off-season.

You can easily see the opportunities here for constructing individualized marketing initiatives based on this kind of "imputed" learning—a "win back" program for customers seen to be losing interest, for example. And while there may be less gambling involved in computer sales, car leasing, hotel stays, or airline flights, the same principles apply.

So, in addition to examining your current facts and figures, be sure to check for:

- Increases or decreases in dollar volume, purchase frequency, SKUs
- Number of product end users in an enterprise, often available for hard goods, technology, and software products where user registrations are higher
- Number of business units, divisions, or subsidiaries making purchases
- Number of purchasers at each unit (often requires revisiting data such as invoices, shipping records, or purchase orders)
- Seasonality of purchase: When does the customer buy all or most of your goods or services? Seasonality usually varies by industry (schools, CPAs, greeting-card and calendar printers each have distinct purchase patterns, as do many other businesses, by type), but it can also vary by individual customer (winter vacationers versus summer vacationers).

- Unique flight to required customer service, from the
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## 3. *Observation*

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#### Activity 4C

### Estimating Lifetime Value

Target Completion Date: \_\_\_\_\_

Every company should establish a formula to rank customers based on a workable approximation of customer Lifetime Value. (This is determined by estimating the stream of future profits over some period of time, net of costs, and discounted at an appropriate rate, back to its net present value.) Considering the challenges associated with determining Lifetime Value, most organizations will need to choose a list of "proxy variables."

Such variables include:

#### Proxy Variables

#### Used as a Proxy Variable

#### Consider Using for LTV Variable Later

Past and expected future customer revenue

Past and expected future customer profit  
(revenue minus cost of sales and servicing)

Expectations about future loyalty

Opportunities for up-selling and cross-selling

Collaborative value—willingness to  
communicate/engage/participate/respond to  
surveys, etc.

Accounts payable—the speed at which  
customer pays

Time and  
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democratized the IT continuum, shifting power from the "geek" elite to the end user.

Here's what a typical industrial-strength system used to look like:

Proprietary database  
Proprietary operating system  
Proprietary mainframe

Compare it to the "democratized" system of today:

Oracle, SQL or IBM DB/2 database  
UNIX or NT operating system  
Intel-based PC or other readily available platform

The old model easily cost upward of \$500,000—sometimes ten times that amount—to build and install. And heaven help you if the vendor went out of business. The new model can be assembled and installed for \$50,000 or less. And you can buy the parts practically anywhere.

Just a year or two ago the massive scalable-data warehouses, often involving twenty or more terabytes of data, were essentially available only as proprietary systems from NCR Corporation, but NCR now offers these data warehouses in an NT environment.

For you, the 1to1 marketer, these changes have immediate consequences:

- You now have many, many more potential competitors.
- Those with newer (faster/cheaper/more flexible) IT have a marked advantage over those with older (slower/more expensive/more rigid) IT.

For example, the ability to access customer lists instantaneously from anywhere—a field sales office in Martinique, a customer service center in Ireland, the corporate HQ, or a sales rep on a wireless PC modem on



U.S. 1 in Miami—already has altered the competitive equation. In this new environment, traditional database marketing just doesn't make the cut. If you don't have a system that can leverage the flow of information at your fingertips, you're going to be left behind—if it hasn't happened already.

## Planning

So how do you maintain the competitive 1to1 edge in a universe in which every player can drink from a flowing river of high-value information? And how do you stay ahead when the rate of change of the rate of change is so fast that the technology you buy is obsolete by the time you get it up and running?

Part of the answer is obvious: Don't try to do it all at once. Step back, define your vision, and ask yourself, "What are the three or four most important pieces of data I need to see on my screen right now to make this 1to1 initiative work?"

Once you've done that, you're ready to begin examining the data you've already squirreled away in your various legacy systems. You've got to take a good, hard look at what you've got and ask yourself:

- Is the data I need available to me now, or do I have to look elsewhere—inside or outside the company—to assemble it?
- If the data is available, what's the best way to extract it?
- If the data is not available, who can help me assemble it?

Remember, there's a strong possibility that the data stored in your legacy systems will require vigorous massaging before it's ready to be moved from your old database. Not too long ago, Wall Street dealt harshly with Oxford Health Plans immediately after the company revealed that a series of computer "glitches" had caused it to lose track of vital claims and billing information, resulting in the company's first unprofitable quarter. The rapidly growing managed-care company hadn't fully anticipated the challenges of a large-scale data conversion during an upgrade of its information system.

Unfortunately, the company's announcement coincided with an across-the-board drop on Wall Street, and Oxford lost more than half its

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## Chapter Thirteen

# The One-to-One Web Site

CAPITALIZING ON THE POWER  
OF THE WORLD WIDE WEB

**W**arren Buffett says the secret to good shareholder relations is the same as the secret to a good marriage: low expectations.

He may be right, but another secret to a good relationship is memory. Which is why it's useful to visualize a happy marriage, involving two people who have grown to know each other more and more intimately with time. Think about just the little things:

- Coffee's made the right strength every time; chocolate's stirred in on Sunday
- Every Thursday around eight you're handed the phone to call your mom
- He reads the metro and sports sections first, she gets page one and business
- Thermostats in every room are adjusted for your comfort
- You talk about how nice the Smiths are and voilà—they're on the social calendar!

Silly examples? Perhaps. But if we switch to a business environment, you realize right away that the secret to having a happy customer is more than simply low expectations. It's remembering the customer and adapting your behavior to the customer's needs.

This may be the most basic theory of one-to-one marketing, but nowhere will it be put to a better, purer test than on your corporate Web site. By its nature your Web site epitomizes the very essence of the capabilities needed for 1to1 marketing—it is an immediate and highly cost-efficient interactive channel. It can be customized to individual visitors. It can dispense complex product or service information, qualify sales leads, complete purchase transactions, perform customer service tasks.

So why isn't corporate America rushing to the 1to1 Web site? Because, like a great marriage, it's a lot of work. Much easier just to write the checks for video, games, Java animation, and other creative gimmicks on your site. To build a Web site that truly lives up to its 1to1 potential requires you to build one that:

- Identifies each visitor, or gives each an incentive to self-identify
- Differentiates each visitor, on every visit, based on past and future needs
- Figures all this out without administering long, difficult questionnaires
- Tracks and interprets clickstreams
- Retains a memory of all this
- Customizes itself to meet the individual preferences of individual visitors

This is hard work, but if you do it right, your Web site can drive your entire enterprise toward 1to1 marketing. Working out the various issues and conflicts involved in putting together a 1to1 Web site will focus your organization's managers on what it takes to treat different customers differently, in an integrated, rational manner.

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## Setting Objectives

Before you get captivated by all the nifty toys of the Web trade, ask yourself *why* your firm wants a Web site in the first place. When it comes online, what will be the *business context* of your site?

So many companies rush to design a site before they decide what they're trying to do with it. Designing a site is creative and fun, but setting objectives and agreeing on the metrics to decide whether those objectives are being met requires analysis and hard work. Nevertheless, establishing your business parameters is an absolutely critical first step. There are three basic types of objective for any company's Web site:

1. Direct revenue generation: selling products and services, collecting subscription fees or advertising payments;
2. Reducing costs or improving efficiency: usually self-help services for customers, employees, or partners; and
3. Generating indirect or long-term benefits for the firm: mostly improving brand awareness or image.

Build the metrics into your site at the very beginning to gauge your success at accomplishing whatever objectives you establish. And set a time goal for achieving these objectives. Just as advertisers shoot for an advertising-to-sales ratio and monitor the impact of one on the other, be sure the company knows how much it will be investing in the site and the relative upside it anticipates.

Your metrics should match your business model. If your business model is direct revenue generation, set specific targets. If, say, you want to increase the dollars each customer spends, how will you tally and track your results? If you want to generate more advertising revenue, will this mean selling ads to a larger number of advertisers? Or selling higher-priced ads?

If you want to reduce costs and improve efficiency, the most useful thing to concentrate on would be automating a few of your customer service functions and eliminating some steps. So think about what your customers need from you in terms of support and service, and consider

how you can get them to help themselves. Then gauge your success by counting how many customers do help themselves. Sometimes, as with Cisco Online, for example, setting up online self-help services will allow a firm to cater to a whole different category of customer—a type of customer it *only* makes sense to serve because the Web makes it possible to do so without sales réps or telephone agents.

If you're trying to generate awareness or some other, indirect benefit, you can measure such things as the number of visitors per week or the time spent per visit. You can pay off a Web site's expense by reducing your mass media budget. Or you could track other variables, such as customer satisfaction levels among MVCs or the reduced cost of e-mail messages compared to snail mail.

Some of the other variables you might want to track, to the extent possible, include:

- First-time visitors versus repeaters versus visitors with charge accounts
- Technical versus nontechnical users of your product or service
- Senior executives versus middle managers or lower-level personnel
- People seeking product guidance or support versus those seeking purchasing specifications
- Advanced versus beginning users of your product or service

## Reality Check

Now that you're getting ready to commit to the development of a true 1to1 Web site, you might want to face up to some serious issues first:

1. It may be cost-efficient, but it won't be inexpensive. Developing and maintaining an active 1to1 site for a significant corporation (say, for example, one with \$100 million or more in sales) will require at least a six-figure annual budget, essentially forever. A seven-figure annual expense would be more realistic if you expect your site to execute transactions and aid in customer service. Is your company really prepared to commit this kind of money?
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- (a) If you do this, will your customers care, or will they think more of you for your efforts on their behalf?
- (b) Is your company *really* ready and able to concentrate on this complex, long-term task, or is it likely to be just the next “project du jour,” destined to suffer the same slow, resource-sapping, death spiral that other such projects have suffered?
3. More than a Web site is at stake. Much more. Analyze the functions that offer the greatest value to your customers and your firm, along with those that can be implemented with the least cost or disruption. Any 1to1 site will be inherently multidimensional, requiring you to break down barriers between departments. Sales and shipping will have to talk to one another, digitally of course, on a moment-by-moment basis. Are you ready for this, and can your company deal with it?
4. Virtually *every* business that puts up a Web site, in *every* business category, soon reports that the site and its capabilities are revolutionizing the way the firm operates. Don’t take our word for it. Open any business magazine and read the news for yourself. So when you launch a genuine, 1to1 Web site, be prepared for a bronco ride. But remember, it’s better to be on the bronco yourself than to be watching one of your competitors coming at you on *his* bronco.

Assuming you’ve passed the gut check and despite all our cautions you’ve decided to plunge ahead and create a site that genuinely helps you maintain individual, 1to1 relationships with customers and prospects, the first step is to identify your visitors. This sounds easy on the Web, but it’s not.

First the practical limitations. In order to recognize individuals, you will need to consider available Web-identification technologies, all of which have strengths and weaknesses. The most common way of identifying visitors and their activities on your site is through “cookies”—information stored in a text file of a user’s computer that facilitates customization and user tracking. While this is a relatively easy and reliable

## Identify Your Visitors

way to track individuals, there is some concern in the Web community that the practice of "dropping" cookies on the user's hard drive is invasive and compromises security. "Digital certificates" (offered by VeriSign and other companies) represent another way of addressing the issue of identification—one that is completely voluntary from the perspective of the Web user. While this is generally considered a more secure technology for ensuring the authenticity of a user's ID (due to the technical difficulties of cracking an encrypted identification), the need to actively apply for it and ensure compatibility has limited the popularity of such approaches among general consumers.

Of course, companies must encourage their visitors to register at the site if they want to identify them as individuals. This can be a challenge in an environment like the Web, where requests for customer and prospect information are commonplace.

The surest way to identify visitors when they come to your Web site is to offer some sort of incentive for them to self-identify. You want a visitor to find it in her own interest to identify herself when she shows up. If your site is designed to dispense customized product or service advice, or to facilitate a customer's self-service, getting visitors to identify themselves is a no-brainer. You can't really run the site at all without providing a mechanism for customers to let you know who they are, individually.

But if, as is more often the case, your site is trying to attract visits from customers and potential customers in order to sell them products and services directly, or to provide information to them on a quicker and more cost-efficient basis, or to create better relationships with them, the identification issue is more difficult. Clearly, at the start of the relationship, getting the customer to identify himself is much more in your interest than his. You get access to the actual contact information for a real or potential customer, someone you might be able to sell more stuff to. But for him, simply telling you his identity means taking an extra couple of minutes, wasting a few more keystrokes, and (in the back of his mind anyway) thinking it would be awfully easy for you to abuse this information if he gives it to you—sell it to others, "spam" him with worthless e-mail messages and empty offers that waste even more of his

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time. No, getting a visitor to identify himself when he comes to your site is not usually a slam-dunk.

*Drip-irrigation dialogue.* One thing *not* to do is threaten the entire relationship in its infancy by unveiling a massive, complicated profile or questionnaire. Instead, gather the information that is useful for the current transaction, remember it, and build your relationship's context over time, little by little. Think of the task as a kind of "drip irrigation" for the relationship. Don't flood the relationship with massive doses of data, but instead build its context gradually, one item at a time.

If you want to encourage visitors to identify themselves, then start with what you can offer, in terms of increasing convenience, benefits, or even some form of discount or monetary compensation. One way to visualize the whole interactive process—the "clickstream" that defines a single visitor's session at your site—is to think of it in terms of swapping value for value. Give me a little information and I give you something in return. Give me a little more and I'll give you a little more. Step by step, shepherd the visitor through a series of successively beneficial and informative interactions.

At every step in the process, concentrate on gathering the information that will be useful to you. Don't bother the visitor asking for information that is of uncertain value to relationship development. Knowing the gender of a visitor is not going to be critical in selling that visitor more computer software, for instance. But knowing how skilled the visitor is in using software today would be immensely helpful.

Unfortunately, many Web site operators are still simply trying to gather the same demographic and other descriptive information that companies use for targeting their mass-media ads. And some operators gather the data but don't even use it for that!

Excite sells some \$37 million of advertising annually on its search engine site, which is second only to Yahoo! as a Web site directory. But according to a review of 1to1 marketing initiatives in *Wired* magazine, Excite has yet to use any of this information even to target its ads better—despite the fact that it has been collecting names and zip codes from its Web visitors for two years.



## Differentiate Your Visitors

In the same article, the author contends that, in terms of giving Web site operators personal information, consumers are a lot more resistant than many operators had counted on. But what else should we expect? If I take the time and keystrokes to give you personal information of any kind, and I never see that information used for my benefit—if I see no personal benefit from having given you that information—then why ever would I want to take the time to give you more information?

While ordinarily it's important to rank your customers by their value first, in order to direct your resources catering to the needs of those customers who account for most of your revenue, on the Web this maxim is not as important. Automated interactions on the Web are so cost-efficient that there is very little expense to allocate. Setup costs might be large, especially if they are spread over just a few customers, but setup costs can't really be allocated to particular tiers of customers anyway. And the transaction costs of handling a single interaction on the Web are virtually negligible.

The point is that the first task in customer differentiation on the Web is not necessarily to rank customers by value, but to differentiate them by their needs. The easiest way to do this is to provide different initial choices, designed to appeal to different communities of interests.

1. Visualize your customers in terms of their different types of needs. Think of the visitor, not the visit. Focus on the characteristics of a visitor that make him or her different, in terms of what needs that visitor will be trying to satisfy at your site;
2. Map out different features and benefits at your site, designed to appeal to these different communities of interest, and
3. Design a series of choices, options, questions, or routes that will channel your visitors into the appropriate community.

Once you have more data on individual visitors—after repeated visits or interactions—you can begin to use more sophisticated tools, mapping customers into finer and finer groups, with ever more precise insights into their own needs. Your goal is to make it more convenient

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for the visitor to come to your site and find what is needed, with every visit. With every visit, you want the visitor to think it was more convenient this time than it was the last time.

**Matching engines.** In order to encourage this interaction and continued refinement in the relationship, you have to be able to match your content to the visitor's needs. This will require a "matching engine." One kind of matching engine would be a simple profile-driven selection. Set up a number of different types of profiles to serve the needs of the different types of customers each profile represents. When a visitor arrives at your site, suggest that he choose the profile that best fits his own needs. Some sites use pictures of people to represent profile information more conveniently. A shopping site might refer to such profiles as "shopping assistants" or "personal shoppers," while an information site might call them "research assistants."

Regardless of what you call it, what you are really doing here is offering visitors the opportunity to designate an "agent" to represent her own personal needs and preferences. This type of agent is crude and approximate, but it allows a site to employ a better interactive business model than simply treating all visitors identically.

To become a *real* agent, the profile must be continually updated with a visitor's own record of purchases and interactions, so that the agent becomes smarter and smarter, the more it is employed by the visitor. In designing a 1to1 Web site, keep in mind how you interact with real-life, human agents in a variety of non-Web business situations. A travel agent, for instance, is someone you might rely on to help choose a vacation destination. When you call the travel agent, she'll interview you a bit to try to get a sense of what you're looking for. Then she might provide you with a selection of three possible vacation spots. You give her feedback (e.g., the second one looks best, but you really wanted more of an activities-based vacation). And she comes back with two or three additional suggestions.

The real dynamic that characterizes any agent-client relationship is feedback. There is a feedback loop between the agent and her client. Client requests something, agent suggests some alternatives. Client comments on the alternatives, agent uses this feedback to generate a

new set of alternatives. With each such iteration the agent comes closer to the client's personal preferences. Moreover, the next time the client looks for something, the agent remembers what transpired the last time—so all the previous relevant feedback is incorporated in the next interaction as well. Obviously, the agent-client relationship is a Learning Relationship, with the agent being taught more and more by the client.

This is the dynamic you'll want to create to run a successful matching engine at your 1to1 Web site. If you can set up your site so that the matching engine uses a visitor's individual feedback to make it easier and easier for that visitor to find what he needs, then he'll always find it easier to come back to your site rather than to visit a competitor's site and have to reteach it his preferences. Once you have a travel agent who knows your preferences and has booked a few successful trips for you, it becomes risky and difficult to switch travel agents, right?

Another type of matching engine involves a technique more in vogue now on account of the tremendous interactive power of the Web—collaborative filtering. Collaborative filtering is a technique we called "community knowledge" in Chapter Nine of our book *Enterprise One to One*. If you have thousands of visitors, interacting with you in a variety of ways and seeking out particular content to meet their own interests, by examining the content most requested by the members of a particular visitor's community of interest, you can make smart, highly individualized recommendations to the visitor.

There are several firms today that offer collaborative filtering software solutions, including Net Perceptions and Firefly. One of the original examples of such technology being put to actual use was Firefly's music-selection site, where a visitor could ask for music recommendations. It would first ask the visitor to rate a number of different types of music, groups, and specific CDs. Then it would recommend a CD or a music group based on how that visitor's ratings compared with others' ratings.

Today you can find an excellent example of collaborative-filtering technology for selecting movies, with Moviefinder, a Net Perceptions application running on the E! Online site (<http://www.moviefinder.com>).

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The site allows you to ask for a movie now playing in theaters, or a recently released video, or an old movie. You can specify you want a movie that you'll like personally or one that both you and your spouse will like. The basic concept is simple: Begin by rating a few movies you have seen, based on whether you found them to be highly attractive or not at all attractive. The more ratings you give the engine, the better a match it will likely find for you. Both Barnes and Noble and Amazon.com have collaborative-filtering engines available at their online bookstore sites, and Net Perceptions has ambitions for collaborative filtering that extend to intranets, online directories, knowledge management, and other applications.

Collaborative filtering technology has limitations, however. First, it is best suited for those types of interests and preferences that people have more trouble putting into words in the first place, which is one reason music and video selections represent early success stories for the technology. In each of these cases a user might find it easier just to name the types of movies or CDs he has liked in the past, rather than trying to explain why he liked what he did. On the other hand, if you can describe your interests reasonably well in simple language, a more reliable and quicker form of selection might be a basic directory/subdirectory cataloguing of subjects.

In addition, the mathematical techniques involved in collaborative filtering require a large number of data points. David Anderson, a mathematician who has worked on collaborative filtering problems, calls this the "cold-start" problem. You need a lot of data before you can provide much guidance to anyone. Not only do you need a number of ratings from a particular individual to be able to get an accurate fix on that individual's true interests, but you need ratings from a statistically significant number of people with somewhat similar tastes to compare. According to Anderson, one of the reasons for the success of collaborative filtering (he calls it "social filtering") in the video domain is that, compared to music or books, there are a relatively limited number of "big" movies that everyone has seen and can rate.

Regardless of the matching engine you use, however, the important thing is to employ the choices visitors make on your Web site to begin

differentiating them early and in detail with respect to their needs. Start with communities of interest, but as you accumulate more data and experience, be prepared to break these communities into subcommunities and sub-subcommunities.

Ideally, the communities you map your customers into will be at least somewhat correlated with their value to you, so you can identify the most valuable few constituencies and implement extra services for them. It is almost always possible to correlate a customer's value with his or her needs, at least at some level, and if you can do so on your Web site, you have a vehicle for ensuring that special attention is paid to your most valuable customers.

In addition to mapping and tracking your visitors' "community needs," you will want to track their individual needs—names, addresses, credit-card numbers, and so forth—in order to make it easier for a visitor to order from you or to answer a questionnaire or survey.

In accommodating both community and individual needs, consider a travel Web site for booking airline reservations. A business traveler's community needs would encompass such things as schedule and connection information—including connections to and flights on other airlines—along with access to airline clubs and business facilities, business hotels, car service, even laptop plugs in airline seats. These are all needs that business travelers are likely to have in common with other business travelers—the needs that, in essence, define the "community" of business travelers.

A leisure traveler's community needs would be different, and would include such things as fare comparisons and destination information, family accommodations, baby seats, ground packages, and so forth.

In both cases—business and leisure travel—the traveler's individual needs might include things such as seat preference, special meals, phone numbers, frequent-flier account numbers, and so forth.

The truth is, we've just defined our "communities" in terms of the event rather than the visitor—that is, the same visitor to this travel Web site might be coming on one day to book a business trip and on the next day to book a leisure trip. But, for the most part, business travelers are more frequent, and identifiable, in their preferences. So defining our

communities in this way is not a bad compromise, provided that we remember to make it possible for any visitor previously catalogued as a business traveler to specify he or she is traveling for leisure on a particular trip.

You can identify the community to which a particular travel-site visitor belongs by the choices she makes when first entering the site. If she goes right for the schedules or the business arrangements, she's probably in the business-traveler group, but if she starts by trying to find the least expensive fare, she's more likely to be in the leisure group. If it's indeterminate, you can always simply ask the visitor to specify whether she's planning a business or leisure trip. The point is, your 1to1 Web site should be set up so that any visitor's first few clicks begin to reveal the nature of the visitor.

A Web site is of course an ideal venue for interacting with customers. Every click at your site is in fact an interaction. But so are calls to the call center and transactions at the point of purchase. When you think about this third implementation step and how it applies to Web sites, remember that while the Web accounts for just one type of interaction, it is almost always the most cost-efficient type. On one hand, this means you should be careful to link interactions with a customer at your Web site with all the other forms of interaction available to the customer. You might consider "call me" buttons on your site, or "chat" buttons, for instance.

Second, you need to encourage as many interactions on the Web site as possible, moving them off more costly vehicles such as the call center. In the initial stages, at least to generate your first traffic from your most frequent customers, you might want to consider a financial incentive to encourage use of the Web site rather than the call center, for instance, to make a purchase or conduct a transaction.

But in the long run you have to make interaction on your Web site absolutely as easy for the customer as is humanly possible—so easy that the customer will prefer a Web-based interaction for his own convenience. Every conceivable type of customer request or initiative should be accommodated on your Web site. In *Enterprise One to One*, Chap-

## Interact with Your Visitors

ter Ten, we suggested that one way to begin the journey to becoming a 1to1 enterprise was to do an "interaction inventory," documenting all the different media by which customers interact (Web, phone, sales call, etc.) and matching each medium up against the different substantive reasons for the interaction, whether the interaction was initiated by the customer or by the enterprise.

But Web sites are by their nature *inbound*-interactivity vehicles. Customers initiate a Web-site interaction, or else the interaction doesn't occur. Therefore, in evaluating your own Web site for the type of utility it offers visitors, make a list of all the reasons a customer might want to initiate an interaction with you, and be sure you can accommodate all those interactions.

Your customer should be able to come to your Web site and order a product, purchase the product, check the status of his account, request service for his product, specify or configure his product or service, obtain information or suggestions on the proper use of his product, inquire as to the availability of a product or the status of a previously submitted order, lodge a complaint, make a suggestion, dispute a bill, or submit a fan letter. In initiating any of these interactions, your customer has a right to expect that you will remember all his previous interactions and respond to him in such a way that he never has to repeat himself. So, if you intend to run a 1to1 Web site, make plans to accommodate and process all these forms of inbound interactions. It will obviously require you to integrate the operation of your Web site with a number of other systems at your firm, ranging from inventory management to product specification and billing.

In addition to accommodating these types of interactions, you may also want to consider allowing customers to contact other customers (or at least reference sites), or make side-by-side comparisons with competitive products and services sold by other firms.

If you've done your differentiation job correctly, a visitor will come to your site and fairly quickly map himself or herself into a profile of some type—a profile that will be continually updated, as survey information is processed and as the visitor's own clickstream is tracked. Because the Web is such a richly interactive interface, it is important to allow your

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visitors to maintain as much control over their own profiles as possible. When you put your site together, show a "profile update" button on the menu bar, so a visitor can alter the way he presents himself and his needs to you at any time. Human beings are fickle creatures. What I told you yesterday may not be true today, either because I didn't really understand the question, or because I was visualizing a different role for myself, or simply because I changed my mind. Regardless of the reason, your Web site has to be flexible.

Remember the game "Twenty Questions"? You try to guess what I'm thinking about, and you get to ask up to twenty yes-or-no questions. The fewer questions you ask before you guess the answer, the higher your score will be.

This game is a good analogy for creating a successful 1to1 Web site. The better you become at listening to a customer, processing the information, and then customizing your next interaction, the faster you succeed. Here are a few lessons inspired by the game Twenty Questions:

- A customer's answer to your most recent question should shape, or perhaps eliminate, your next question. If your customer tells you she's thinking of something that is alive, don't then ask if she's thinking about a mineral. If she tells you it's smaller than a breadbox, don't ask whether you can skate on it.
- Ask only one or two questions at a time, using the drip-irrigation methodology. Don't try to get every shred of information at once. Don't leap to premature conclusions, and don't assault your visitor with more questions than you reasonably need the answers to right away.
- Ask the fewest possible questions necessary to satisfy a customer's needs.
- Make specific suggestions only after you have enough answers to support an educated guess. Guessing prematurely results in absurd attempts at customer satisfaction: "Our super-deluxe personal search engine has found 7,657 products that meet your criteria. Would you like to see the first 10?"

## Customize for Your Visitors



The true secret to customizing your Web site lies in employing mass customization principles. Rather than get bogged down trying to accommodate every conceivable difference among all your visitors, you should be modularizing your site and the way it renders itself. The choices your customer makes can then be used to render individually different pages and Web site configurations.

There are a number of firms that have emerged to address the challenges of mass-customizing the Web site. BroadVision One-to-One sets the de facto standard for robust, differentiated 1to1 interactions on the Web and has installed more than one hundred 1to1 Web engines. BroadVision's sophisticated "dynamic command center" technology enables business managers to rapidly change applications and business rules to address the individual needs and preferences of their customers. Such capabilities facilitate cross-selling, up-selling, and customer retention efforts by personalizing content based on profiled information, session behavior, and other types of input. The company is focusing on e-commerce, financial services, and knowledge management markets and has a broad array of impressive clients now putting its technologies to work.

SMART Technologies is an Enterprise Relationship Management vendor. Its eCustomer solution is designed to engage the individual effectively and facilitate customized, dynamic, real-time interaction. SMART is focused on providing a "single, integrated, customer-driven connection point" that reaches into all departments within a company to enable individuals to access information that is rich and personally relevant. The company uses SMART Touchpoints and its SMART DNA architecture to produce Web solutions that recognize different users, levels of access, preferences, and other profiled elements. Meantime, Vignette Corp. is positioning itself as a relationship management solution provider, downplaying the role of dynamic publishing and playing up the need for personal profiling, business intelligence and decision support tools that enable companies to interact more effectively with their customers.

Clearly there is an extraordinary amount of innovation occurring in this space. The aspiring 1to1 enterprise will eventually need to consider and eventually adopt such solutions if it is to capitalize on the tremendous relationship-building opportunities afforded by the Web.

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Allen, Cliff, Deborah Kania, and Beth Yaeckel. *Internet World Guide to One to One Web Marketing* (John Wiley & Sons, 1998).

The authors provide an excellent overview of issues facing companies that are trying to build 1to1 relationships on the Web. It looks at some of the key technologies that firms must consider and addresses key business and strategic issues. With a title like this, our only wish is that the book had gone into more of the "how to" behind 1to1.

Bayne, Kim M. *The Internet Marketing Plan: A Practical Handbook for Creating, Implementing, and Assessing Your Online Presence* (John Wiley & Sons, 1997).

This book provides the foundation for a Web marketing strategy, and includes a diskette containing documents, checklists, spreadsheets, and other materials to help the marketer develop a plan.

Brady, Regina, Edward Forrest, and Richard Mizerski. *Cybermarketing: Your Interactive Marketing Consultant* (NTC Business Books, 1997).

Brady, Forrest, and Mizerski provide an excellent collection of articles exploring the challenges and opportunities of interactive and Web-based marketing. The book offers a powerful overview of trends that need to be considered as companies develop their own customer relationship and interactive media strategies.

Godin, Seth. *eMarketing: Reaping Profits on the Information Highway* (Berkley Publishing Group, 1995).

This comprehensive guide to electronic-marketing opportunities, which features essays from Don Peppers and Martha Rogers, explores the potential associated with a range of technologies. Among them: the Internet, fax on demand, bulletin boards, CD-ROM, infomercials, and audiotext. The essays explain in clear layman's terms how these technologies work and how you can use them to dramatically enhance the way you do business.

Schwartz, Evan I. *Webonomics: Nine Essential Principles for Growing Your Business on the World Wide Web* (Broadway Books, 1997).

Schwartz outlines some of the key trends that companies must address in a

## Recommended Reads

networked business environment where consumers demand to be compensated for their information. It's primarily a good, high-level overview of the coming impact of Web commerce.

Sterne, Jim. *Customer Service on the Internet: Building Relationships, Increasing Loyalty, and Staying Competitive* (John Wiley & Sons, 1996).

Recognizing the pressures toward individualized, 24 x 7 customer service that the Web both encourages and facilitates, Sterne offers a compelling picture of where customer service is headed. The book is loaded with intelligent case studies and practical advice.

Vassos, Tom. *Strategic Internet Marketing* (Business Computer Library, 1996).

Vassos offers practical advice, case studies, and specific information for making marketing decisions and implementing your Internet marketing plan. Supporting his book is an online site that offers in-depth reference material with additional facts, notes, and resources.

## Activity 13A

## Web Issues for Your Transition Team to Discuss

Target Completion Date: \_\_\_\_\_

1. Elevator Speech: As you set up a one-to-one Web site, you will need to break down barriers between departments. Your site will be inherently multi-dimensional and will require various functions and divisions to speak to each other constantly and electronically.

Analyze the functions that offer the greatest value to your customers and your organization and how best to integrate them for your site. Once your team has discussed this issue, prepare an Elevator Speech that explains to anyone in your organization (a) why this integration is necessary for a successful Web site and (b) how you will accomplish it.

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2. Decide what the basic objective for your Web site will be. You will probably choose one or more of the following three possibilities:

- Direct revenue generation: selling products and services, collecting subscription fees, or advertising payments
- Reducing costs or improving efficiency: usually self-help services for customers, employees, channel members, or partners
- Generating indirect or long-term benefits for the firm: mostly improving brand awareness or image

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3. Is your company really ready and able to concentrate on this complex, long-term task? Where will the six- or seven-digit annual support budget come from?

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4. How will your organization have to change to accommodate Web interaction with your customers?

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5. Who will be in charge of your Web site?

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### Activity 13B

## Web Checkpoint

Answer yes or no to the following questions. Repeat this activity one year after the initial date you complete it.

Target Completion Date: \_\_\_\_\_

Question	Now	One Year from Now
Do you have a Web site?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
Do you identify each visitor?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
Do you give each visitor an incentive to self-identify?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
Do you differentiate each visitor, on every visit, based on needs as you understand them?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
Have you determined how to differentiate visitors without administering a long, difficult questionnaire?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
Can customers interact with you at your site?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
Can they interact in real time (e.g., chat lines or phone links)?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
Can customers purchase products or services directly from your site?	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No

Can a customer check the status of his order at your site?

☐Yes ☐No

☐Yes ☐No

Is a customer's product or service configuration information available to her at the site?

☐Yes ☐No

☐Yes ☐No

Does your site give a customer the ability to lodge a complaint or address a product-specific inquiry?

☐Yes ☐No

☐Yes ☐No

Do you have a system that will automatically alert customers about products, services, or information in which they have expressed interest?

☐Yes ☐No

☐Yes ☐No

Can you use links to different pages on your site to cross-sell?

☐Yes ☐No

☐Yes ☐No

Do you have a proportion of your customers' e-mail addresses? Estimate percentage:—

☐Yes ☐No

☐Yes ☐No

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☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

### Activity 13C

## Identify and Differentiate Visitors to Your Web Site

### Identify

Target Completion Date: \_\_\_\_\_

Who Will Do It? (init.)	By When? (date)	Task	75% Done (✓)	100% Done (✓)
		Develop an incentive for your Web visitors to self-identify		
		Develop a privacy protection policy for your home page that specifies protection and disclosure of information		
		Design a method for drip-irrigation dialogue so you don't have to ask a lot of questions for the first, or any, visit		
		Determine whether you need password protection, and if so, install it		
		Determine whether there are other security issues and how to resolve them		

### Differentiate

Target Completion Date: \_\_\_\_\_

Who Will Do It? (init.)	By When? (date)	Task	75% Done (✓)	100% Done (✓)
		Develop a method to visualize your customers in terms of their different types of needs. Focus on the characteristics of a visitor that makes him or her different, in terms of what needs he or she will be trying to satisfy at your site		



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Map out different features and benefits to your site, designed to appeal to different communities of interest

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Design a series of choices, options, questions, or routes that will channel your visitors into each one's appropriate community

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Explore the use of matching engines—profile-driven selection, collaborative filtering, or other

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Figure out how to incorporate ongoing feedback from your customers

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### Activity 13D

## Web Interaction and Customization

Target Completion Date: \_\_\_\_\_

Who Will Do It? (init.)	By When? (date)	Task	75% Done (✓)	100% Done (✓)
		■ Determine how to promote your site		
		■ Create a long-term site promotion plan		
		■ Capture every click from each identified visitor and incorporate that into his or her record		
		■ Determine how to measure the frequency of repeat visits (cookies?)		
		■ Determine who monitors, edits, and refreshes discussion-group information		
		■ Connect to call-center point-of-purchase (POP) transactions, if they involve the same visitor		

- Determine how to handle incoming messages, queries, and complaints on your Web site
- Determine a maximum response time
- Reward your customers for using the Web more, as Web interactions will reduce your cost
- Track and compare the relative cost of various functions in their traditional mode versus the Web mode (e.g., invoicing, data entry and update, product configuration, purchase orders, and order status)
- Consider setting up your MVCs with a computer and Web browser, or WebTV, and perhaps even subsidize it for them
- Determine what resources channel members should have access to and whether they should have access to their customers' information
- Develop a method to alert customers when a product, service, or piece of information in which they've expressed an interest becomes available
- Ensure that your Web site is connected to the required internal information systems

75%	100%
Done	Done
(✓)	(✓)